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Central Committee Plenum Activities Described

AU1312195988 Sofia Domestic Service in Bulgarian 1830 GMT 13 Dec 88

[Excerpts] A plenum of the BCP Central Committee opened on 13 December at the Boyana Residence. The agenda contains two items:

1. On the further implementation of the July strategy on restructuring our society. Speaker—Todor Zhivkov.

2. On the draft laws on the country's scientific-technical and socioeconomic development plan and budget for 1989. Speaker—Stoyan Ovcharov.

In addition to the members and candidate members of the BCP Central Committee, the plenum is being attended by the deputy chairmen of the BCP Central Control-Auditing Commission; the secretary of the Bulgarian Agrarian National Union; the secretaries of the Permanent Board of the Bulgarian Agrarian National Union; ministers; leaders of central departments and economic associations and unions; figures of social organizations, scientific institutes, creative unions, and the mass media. [passage omitted]

The following persons took the floor at today's session of the BCP Central Committee plenum: Petko Danchev, candidate member of the BCP Central Committee and chairman of the "Biotechnological and Chemical Industry Association;" Todor Todorov, director of the "Montana" combine in Mikhaylovgrad; Georgi Atanasov, member of the BCP Central Committee Politburo and chairman of the Council of Ministers; Slav Khristov Karaslavov, member of the BCP Central Committee, writer, director of the Fatherland Front National Council Publishing House; Petur Tanchev, secretary of the Bulgarian Agrarian National Union; Ivan Panev, member of the BCP Central Committee and first secretary of the BCP Sofia City Committee; Yaroslav Radev, member of the BCP Central Committee, deputy chairman of the State Council, and chairman of the National Assembly Legislative Committee; Tsonyu Tsonev, chief director of the Central Institute on Computing Equipment and Technologies and main constructor of computer equipment of the People's Republic of Bulgaria; Grisha Filipov, member of the BCP Central Committee Politburo and secretary of the BCP Central Committee; Nikola Tsonev, member of the BCP Central Committee and first secretary of the BCP Lovech Oblast Committee; Andrey Bundzhulov, candidate member of the BCP Central Committee and first secretary of the Dimitrov Komsomol Central Committee; Blagovest Sendov, chairman of the Bulgarian Academy of Sciences; Sava Dulbokov, member of the BCP Central Committee and first deputy chairman of the Fatherland Front National Council; and Petko Danev, candidate member of the BCP Central Committee and first secretary of BCP Varna City Municipal Committee.

The statements will be published. The BCP Central Committee plenum will continue tomorrow.

Local Party's Open Letter Criticizes Mikhaylov

AU1312125488 Sofia RABOTNICHESKO DELO in Bulgarian 12 Dec 88 p 2

[Letter from "Communists of the Fourth Primary Party Organization of Lozenets Municipality" to the RABOTNICHESKO DELO editorial board dated "Sofia, 9 December 1988"]

[Text] Esteemed comrades, we are aware of the recent increasing political involvement of the Communists in our organization. We are justified in saying that formal, boring, and dull meetings, lectures, rallies, and various other such events that we had to attend out of duty are a thing of the past. Many questions which evoke lively debates and controversies are now being discussed.

There is no doubt that the competence of our organization's staff members contributes to these intensified political activities. We have as members of our organization a great number of people, who until recently occupied responsible posts in various sectors of life, such as professors, assistant professors, scientists, scholars, teachers, physicians, architects, legal experts, economists, foreign trade workers, engineers, and other specialists. It is also worth pointing out that nearly half of us are active fighters against fascism and capitalism.

There is great interest in our press and in the Soviet dailies and periodicals. It has become the custom to discuss important articles and other publications at various rallies and gatherings. Many of them prompt lively debates, different opinions, and negative, as well as positive, stands. Such interest was also created by Petko Simeonov's interview with corresponding member Stoyan Mikhaylov, which was published in issues No 4 and 5 of the journal SOTSIOLOGICHESKI PROBLEMI under the rubric: "Profiles and Dialogues."

In this case our attention was not only attracted by corresponding member Stoyan Mikhaylov as a personality, but by the fact that until recently he was responsible for ideological work in his function as BCP Central Committee secretary, and that he is now a Central Committee member.... In other words, our interest was aroused by the opportunity to see him as a man, a professor, a Communist, a party leader, and public figure, and to thus become acquainted with the profile of a complex and interesting contemporary.

Surprise, perplexity, disappointment, and disapproval—this is how we would most accurately describe our attitude as citizens and Communists, toward the thoughts, considerations, and evaluations expressed by Stoyan Mikhaylov as a citizen and Communist.

No interview, especially one in which attention is focused upon the interviewee as an individual, can be totally objective and free of prejudice. The wish to appear to the public in one's best light, to "light up" the shadows somewhat, and conceal some of one's shortcomings is quite human. Nevertheless, in the case of the aforementioned interview, it is a question of measure, of the balance between the "positive" and "negative" qualities that are characterstic of every man. This balance should not be missing from an interview such as the one given by corresponding member Stoyan Mikhaylov to P. Simeonov, in order to appear credible to those who read it.

Let us not forget another fact. As the journal's editorial board assures, the interview, or rather the interviews, took place in 1987 and at the beginning of 1988, at a time when corresponding member Stoyan Mikhaylov was a BCP Central Committee secretary. This means that even more attention should have been given to such a public figure and that in this case readers would hope to see his personal example as a public figure, a Communist, and a citizen in a true light.

It is evident that the publication of the profile was a deliberate and intentional demonstration, because in his answers to the interviewer, Stoyan Mikhaylov emerges as the model of an ideal, perfect man—without any shortcomings or weaknesses, endowed with all the qualities and assets of a scholar, active public figure, and talented party functionary.

His parents, of course, also possessed nearly all the virtues of common people.

From his mother, who "was a strong influence on him," he inherited his industriousness, his meek character, a natural benevolent attitude toward people, and the readiness to help others. No lesser virtues were passed on to him by his father, who is supposed to be a very capable man, full of understanding and respect for other people's interests, considerate of their rights and opportunities, a man with a democratic and militant attitude toward the reaction.

Naturally, the great intellectual assets and correct ideological orientation were already apparent during Mikhaylov's school years. About his work as an assistant professor, Mikhaylov says: "Though young, I was already a professional". From here on his further career proceeded smoothly and along ascending lines, because, as corresponding member Stoyan Mikhaylov himself "admits," he is extremely industrious, thorough in his work, loyal to his principles, and honest . . . . To this he "modestly" replies that he agrees along "general lines" with the interviewer's evaluations. What exactly does he "agree upon along general lines"? Let us continue with the enumeration of P. Simeonov's evaluations: "A strong, balanced, and sensible man," a realist who is attentive to people, objective, considerate, rational, respects other's people's opinions, a good organizer, enthusiastic, optimistic, disciplined, and alert, but respectful, tolerant, and democratic. He has a sense of humor, values his time and knows how to use it, and "conducts a well-organized and purposeful, though very busy life." Mikhaylov is further described as a very efficient worker and an extremely loyal man who maintains his self-control under all circumstances, sincerely rejoices at other people's success, is deeply attached to his family, and devoted to his teachers in the scientific field. . ..

Even the most unprejudiced reader should have his doubts about such a glossy profile. Where is the modesty of the man and the scientific worker, of the Communist and Central Committee secretary—and if you like—even the modesty of the ordinary worker of our society. It is interesting that P. Simeonov fails to mention modesty in this long list of virtues. Yes, let us not forget that corresponding member Stoyan Mikhaylov is described as a "rank and file" man who allegedly does domestic chores, takes out the garbage, washes the dishes, and takes care of his grandchildren. . . . Even when P. Simeonov dares to express a slight doubt regarding Mikhaylov's sentimental inclinations . . . the interviewee hastily refutes this. Nevertheless, he does admit two shortcomings: That he does not always think carefully about his actions and that he does not always listen to people with whom he disagrees on principle, but in order to preserve his image from further damage, he promptly admits to P. Simeonov his "most notorious" weakness: the excessively conscientious fulfillment of all his obligations, which seems to embarrass other people. (?!)

We ask in bewilderment: Who needs all this accumulation of virtues and positive qualities, why such total lack of self-criticism in describing the personal and public image of a BCP Central Committee secretary, professor, and corresponding member of the Bulgarian Academy of Sciences? Presumably, it is for Mikhaylov's own benefit, because an ordinary citizen of our socialist society, a rank and file Communist would not feel any respect for a man who so generously overestimates himself, claiming to possess the most positive virtues, and who benevolently allows others to flatter him so outrageously.

Modesty or lack of modesty actually represents one of the yardsticks of one's civic position. Is it not a sign of complacency and conceit for a Communist, is it not a sign of excessive social self-importance to claim that you have always "done your job," unlike others, who are not doing so?

It is in this context that we should interpret the conclusions drawn by corresponding member Stoyan Mikhaylov at the end of his interview that every advancement in his academic career was well-deserved, because compared with "other" candidates for scientific posts and degrees he was able to produce more research work and teaching experience, as well as more achievements in social activities. It is at the very least immodest to try to

convince your readers of the positive assets of your own scientific research work in close connection with social experience, and to try to convince them of the originality and creative nature of the ideas contained in this work. The requirements of a correct civic and communist stand demand an objective evaluation of the social and academic values of corresponding member Stoyan Mikhaylov's work, rather than his complacent conclusions, such as: "this was a brilliant lecture, it turned into a sensation for the journalists and . . . everyone was shocked."

We have our doubts about the fact that, as a young scholar at the end of the fifties or the beginning of the sixties, corresponding member Stoyan Mikhaylov would have dared in one of his works to oppose dogmatism and manifestations of lack of principle in the selection of scientific cadres, or even to write scientifically founded pamphlets against privileges. However, what are we to think about the final passage of the interview, in which corresponding member Stoyan Mikhaylov boasts that, in withdrawing his documents from a competition for the title of senior scientific fellow on the ground of "ideological reasons," he delivered a "terrific slap in the face" to Karakolov (deputy director) and the entire Philosophy Institute, including Todor Pavlov, its director? As a matter of fact the interviewee had had some scientific and ideological controversies in the past, and there is nothing reprehensible about that. What he should be blamed for, however, is his civic position—the fact that after so many years, he is speaking in self-defense with such obviously malicious feelings and petty resentment.

The civic and communist position is multifaceted. One of its aspects is the degree to which one avoids or assumes responsibility. We are not in a position to deny corresponding member Stoyan Mikhaylov's statement describing himself as one of those "controversial characters," as one of those "innovators" who promote the progress of society and are responsible for our further development. We do not contest this statement because we are not closely acquainted with his activities as a public figure and a party leader. We are talking about the personal responsibility of the Communist, and in particular, about the social and civic responsibility of the Communist when he is elected to a high-ranking party position.

Corresponding member Stoyan Mikhaylov himself gives us the "key" to his position: "I am taking up the struggle because we were raised to serve society . . . In my opinion conscience is responsibility to oneself plus responsibility to others and to society." These are strong and just words, indeed, but unfortunately, they are not matched by corresponding member Stoyan Mikhaylov's words!

From his answers we learned that in his high-ranking position, and even at the highest level, he opposed incorrect solutions on questions concerning the comprehensive Bulgarian development, the approach to which, according to him, allegedly was "not sufficiently based on scientific tests and arguments." Corresponding member Stoyan Mikhaylov does not deny his collective responsibility as a member of the high party leadership in connection with such solutions and questions. Is it not an act of avoiding personal responsibility to say with regret, as Stoyan Mikhaylov did in his closing statement, that those of his opinions that contradicted those of the collective organs, his struggle, and opposition, remained completely unknown, that they were not "made accessible to the public?" He would like to say that if the public had been better informed, it would have acquitted Central Committee Secretary Stoyan Mikhaylov from the mistakes, shortcomings, and problems of our socialist development, because he was among those who disagreed, who searched and struggled for radical and scientific solutions.

Such a dishonest attitude cannot even be qualified as a half-hearted effort to share collective responsibility. It is simply an effort to avoid responsibility, because the worthy way of demonstrating one's position of principle would be to withdraw from a high-ranking party post as soon as one's opinions and conviction of the correctness of a given decision do not coincide with the stands and solutions of the collective leading organ. Everything else—the pangs of conscience, the sleepless night after incorrect decisions adopted by this organ—which corresponding member Stoyan Mikhaylov confessed to in his interview—can only be an excuse, not a categorical position. As a matter of fact, the interview does not specifically mention the differences between Stoyan Mikhaylov, BCP Central Committee secretary, and the party leadership on given problems. Some of them are just hinted at, and naturally, the most direct hint is the reference to the accident at Devnya, as well as to certain failures in eliminating the results of the Strazhitsa earthquake. This means that some of the most sensitive issues of public opinion in recent years were used as "targets". Nevertheless, even under these conditions, we do not clearly understand what Stoyan Mikhaylov, in his position as BCP Central Committee secretary, did to clarify the causes of the Devnya accident or to resolve the problems of Strazhitsa. He could have done a great deal in his position, even if only because of the fact that the mass media are part of the ideological sector of the party for which he was responsible for.... .

Stoyan Mikhaylov's answers in the interview also reveal some criticism related to certain major questions of principle regarding socialism. This criticism, however, rarely goes beyond stating the facts and only, in the most general terms, suggests solutions and ways to overcome the difficulties. As citizens and rank and file Communists we expect a figure who combines party experience with scientific knowledge to express more specific thoughts and to submit more precise and well-founded arguments for possible solutions, instead of glossing over the problems.

Our disappointment and amazement increased even more when we came across a fact that may seem unimportant at first glance. Corresponding member Stoyan

Mikhaylov most candidly admitted that many of his scientific ideas came to him while sitting on presidiums at various forums: "In such cases I used to take out my notebook and jot the idea or the little draft plan which came to my mind on the spur of a moment. Some people in the audience probably thought that I was eagerly writing down what the speaker was saying, whereas it had nothing to do with the speech." We hope you will forgive us our naive question: "Did BCP Central Committee Secretary Stoyan Mikhaylov also jot down his scientific ideas in his notebook while important problems of our present and future were being discussed at party and state forums, and people's destinies were being decided upon?"

How can we explain such a cynical attitude? Is this the reason, Comrade Mikhaylov, why numerous ideological cadres and lecturers we have met and who worked under your leadership, in the last 10-15 years were captivated by pseudo-scientific and pseudo-theoretical cliches which remain alien and incomprehensible to ordinary people like us, and which have nothing in common with practical party and political work?

A careful scrutiny of the questions and answers contained in the interview cannot fail to produce the impression that corresponding member Stoyan Mikhaylov is trying to insinuate one thought: that all his academic, social, and leadership activities earned him the credit of being considered one of the initiators of fundamental restructuring in present-day life. He does not actually state this openly. Nevertheless, his scientific and political ideas, which seem to perfectly match the requirements of the future, a fact which was repeatedly stressed by corresponding member Stoyan Mikhaylov himself, unequivocally suggest this conviction. In one passage, referring to his own scientific works written in the period of the sixties, he tells P. Simeonov: "What about writing that negative phenomena are not the result of bourgeois influence, or of the cliches created under capitalism, but stem from the peculiar features of the essence of socialism? This required some courage, and not only in the scientific sphere! All this has been totally confirmed by practical experience so far. Read my article about fashion today and you will think that it has just been written."

Once more, abreast of the times, or even "a little ahead of it," Corresponding member Stoyan Mikhaylov is troubled by the question that the personality cult has not yet been properly treated in Marxist literature, that we have not settled accounts with it, so as to "clean our own scientific and political conscience." Once more the effort to classify the negative phenomena existing under socialism, which he allegedly did over 20 years ago, continues to be exceptionally "topical" and even future-oriented, Stoyan Mikhaylov claims. Today the BCP Central Committee Secretary, according to his own statement, is entering the difficult and dynamic period of restructuring without hesitation, because he is already perfectly aware of the "fundamental, theoretical, and political aspects" of this process, because he knows what he should do. It was again he, in a leading position, who allegedly proposed "solutions and postulates which, under political and practical aspects, were both useful and topical." Let us remember my stand on world standards and the comparison with them expressed in 1984, which by far exceeded our contemporary thought, and so forth, Mikhaylov pointed out.

Or, in other words, the entire development of corresponding member Stoyan Mikhaylov's character embodies profound insight into the basic trends of our epoch. There is nothing else for us to do except search for his ideas and forecasts in the foundations of the restructuring process which we are engaged in building today.

We are really amazed by this self-confidence of Stoyan Mikhaylov, the citizen and Communist. In spite of all this, he cannot convince us, the ordinary people, the rank and file Communists, that in rising so far above himself we have lost him from our view.

Comrades, the interview with Stoyan Mikhaylov prompted many reflections. We are just submitting a few of them to you, those related to major virtues—such as decency, civic duty, and the Communists' responsibility.

We would like you to publish this letter. If we should be mistaken, we ask to be told so in public.

With comradely greetings:

Signed: Communists from the Fourth Primary Party Organization of the Lozenets Municipality. 9 December 1988, Sofia.

Decree on Auctions in Cases of Unpaid Debts

AU1312151988 Sofia RABOTNICHESKO DELO in Bulgarian 9 Dec 88 p 2

[Unattributed Report: "Auctions in Cases of Unpaid Debts"]

[Text] DURZHAVEN VESTNIK No 93 carries:

—A decree of the Ministry of Justice, the Ministry of Economy and Planning, and the Bulgarian National Bank on the terms and order of auctioning buildings, machines, and equipment purchased with bank loans. The decree determines the conditions and order of auctioning buildings, machines, and equipment purchased with bank loans, when the self-managing economic organizations cannot repay the loan obtained from a trade bank within the agreed period. That bank

has the right to auction the aforementioned property if the organization receiving the loan fails to repay more than 30 per cent of it and has not made the necessary arrangements for paying the debt within 1 month from the day of receiving a written warning from the trade bank issuing the loan. At the end of the 1-month term a commission set up by the bank will take the inventory of the buildings, machines, and equipment. If necessary, the assistance of the militia may be requested to take the inventory. The distrained machines and equipment remain in the hands of the debtor until the auction.

The decree describes in detail the requirements, order, and regulations of the auctions.

Plan on Cultural Cooperation With U.S. Signed

AU1212170388 Sofia RABOTNICHESKO DELO in Bulgarian 11 Dec 88 p 4

[Text] Washington, 10 December (BTA correspondent)—A plan on implementing the Bulgarian-U.S. agreement on exchange in the spheres of culture, science, education, and technology, as well as other spheres, has been signed in Washington.

The plan envisages a further expansion of the two countries' mutually beneficial exchange on the basis of the successes which have been achieved up to this point in the development of cultural and scientific-technical relations between the two countries. Mutual visits of cultural figures, specialists, and scientific workers will be organized in 1989 and 1990. In addition the plan envisages the exchange of experience, post-graduate students, exhibitions, artists, and musicians.

Political Consultations With Libya Held

AU1312192888 Sofia BTA in English 1828 GMT 13 Dec 88

[Text] Sofia, December 13 (BTA)—Political consultations were held between the Ministry of Foreign Affairs of Bulgaria and the General People's Committee for Foreign Liason of the Socialist People's Libyan Arab Jamahiriya.

The Bulgarian delegation was led by Mr Ivan Ganev, deputy foreign affairs minister while the Libyan delegation, by Mr Miftah Mahdi, member of the People's Committee for Foreign Liaison.

Mr Miftah Mahdi was received by Mr Petur Mladenov, member of the Politburo of the CC of the BCP. There was also a meeting with Mr Khristo Khristov, minister in the Ministry of Foreign Economic Relations, chairman of the Bulgarian part of the Bulgaro-Libyan Committee on Economic and Techno-Scientific Cooperation.

A wide range of problems, related to the modern international situation and bilateral relations were discussed during the talks. The two sides expressed their satisfaction with the positive changes on the international arena, a result of the new political thinking and the strengthening of the spirit of cooperation between the nations. Special attention was rendered to the crisis in the Middle East. The decisions of the 19th extraordinary session of the Palestine National Council were hailed.

The two sides expressed their support for the idea of turning the Balkan states and the Mediterranean into an area of peace, security and cooperation a nuclear and chemical weapon-free zone, an area with no foreign navy.

Jakes Discusses Issues With French Paper

PM1312115288 Paris LE FIGARO in French 9 Dec 88 p 6

[Interview with CPCZ General Secretary Milos Jakes by Charles Lambroschini and Arielle Thedrel in Prague—date not given]

[Text] [Interviewer] What does Czechoslovakia expect from France, and notably from Francois Mitterrand's visit?

[Jakes] I am very happy that President Mitterrand accepted our invitation. This is the first time, not only since the war but also since the foundation of an independent Czechoslovak state, that a French head of state has visited our country. What do we expect from it? We expect the development of relations between France and Czechoslovakia in many spheres, in particular economic relations. We think that France must play the role it deserves because of its history and its economic strength.

[Interviewer] But what can France do in the economic sphere? Is it not clear that Czechoslovakia prefers West Germany in this sphere?

[Jakes] We have no preferences. Obviously, the FRG is a neighboring country. It takes first place in our trade with the capitalist countries. This is the result of that country's activity on our market. The same relationship could exist with France if there is a desire to develop our relations.

[Interviewer] Economic reform seems to be progressing more slowly in Czechoslovakia than in the other socialist countries. What is your explanation?

[Jakes] Economic or political reform is not as simple as rebuilding a house from which people have moved to allow in the workers. We are still living in the house and this house must continue to fulfill all its functions. At the same time, the house must be more efficient to satisfy the conditions and needs of its occupants. Obviously, we in Czechoslovakia have no intention of dragging our feet. We have even brought the introduction of the economic reform forward by 1 year compared with the initial plan. The aim is full implementation from 1990. It is better to be doubly cautious. This is our motto. We are trying to avoid the destabilization of the economy.

[Interviewer] Is economic reform in the socialist countries possible without political reform? Czechoslovakia seems to have reservations about some of Gorbachev's solutions like glasnost and restructuring.

[Jakes] The economic reform is only part of restructuring, but it is an important and decisive part. We realize that the economic reform, in other words changes in the infrastructure, must be accompanied by changes in the superstructure of economic relations. We therefore need political reform. In Czechoslovakia we also aim to democratize and develop public information—glasnost, if you wish. Our objectives are identical to those pursued by the CPSU and the Soviet people.

[Interviewer] Seen from outside, the Czechoslovak leaders seem to think that Mikhail Gorbachev is going too far too fast.

[Jakes] No. This is not the current opinion in Czechoslovakia. But we must draw a distinction between two factors. First, there are the decisions adopted by the CPSU or the Soviet state which we regard as good, correct, and a source of inspiration. At the same time negative phenomena necessarily accompany the implementation of these major changes. The Soviet comrades themselves say that scum floats to the top of the wave. We must therefore overcome this problem.

[Interviewer] Addressing the United Nations, Mikhail Gorbachev has just proposed a reduction in Soviet forces which would mean the withdrawal of some troops deployed in Eastern Europe, notably in Czechoslovakia. What is your initial reaction?

[Jakes] Comrade Gorbachev's statement is a profound analysis of the world situation. It proves the importance for mankind of improving international relations. It outlines a program to be attained. That is why we give it our full support. This is also true of the reduction in Soviet troops and arms on Czechoslovak, Hungarian, and GDR territory. This proves that the Soviet Union and the Warsaw Pact states are making a responsible contribution to disarmament—one of mankind's key problems. Czechoslovakia was previously consulted on this measure and gave its full agreement.

[Interviewer] What is your personal view of Gorbachev?

[Jakes] I appreciate his democratic approach to problems, his opening up of discussion, his ability to see things in a critical way, and the great vitality he is showing in seeking solutions. That is why I hope that his policy will be a success in the international sphere and in the internal sphere.

[Interviewer] The ideas upheld by Mikhail Gorbachev are very similar to those which Mr Dubcek defended in 1968. What is your view on Mr Dubcek, 20 years after the Red Army intervened in Czechoslovakia?

[Jakes] We regard Mr Dubcek as a private person. I am convinced that he will not play any further important political role. The present situation is different from the 1968 situation. There was certainly a great deal of goodwill 20 years ago. But good intentions are not enough. In 1968 the situation was developing in a negative way. The great difference now in the Soviet

Union is that everything is happening under the Communist Party's leadership, on the basis of strengthening socialism. Despite all the good intentions, the party in Czechoslovakia had lost control of the situation. That weakened socialism.

[Interviewer] The USSR is reviewing its history, notably as regards Stalin's era. Why is this revision of the "blank spots" in history not taking place in Czechoslovakia?

[Jakes] The Soviet Union cannot be compared with Czechoslovakia. Although we experienced the personality cult, that cult was not able to develop. There had been strong democratic traditions in our country for a long time. Klement Gottwald won power by democratic means. In 1946, the Communists won the elections. In 1948 they legally changed the government.

[Interviewer] But Gottwald was Stalin's man in Czechoslovakia.

[Jakes] He was influenced by the general situation in the socialist countries. At that time, the Soviet Union had great influence. That was all clarified and we therefore do not intend to condemn Gottwald. Quite the contrary; he played a very positive role in our history.

[Interviewer] There were nonetheless rigged trials and executions.

[Jakes] We made the necessary rehabilitations in the sixties. Comrade Husak is an example—he spent 8 years in prison. He became party general secretary and he has been president of the Republic since December 1987.

[Interviewer] In Czechoslovakia, opposition militants are pursuing their activities despite the repression. Is there any prospect of compromise or perhaps even of national reconciliation between the government and the opposition?

[Jakes] You are experienced journalists. You probably know what real state reprisals are. Events in Czechoslovakia bear no resemblance to that. It is true that this year the forces of law and order have intervened several times to guarantee order and restore calm during unauthorized demonstrations organized by a handful of people, but they have used legal methods and have never gone to extremes, as happens in other countries, including France. This is a fact which must be emphasized because when the term opposition is used, French readers might imagine that they are big and influential political movements which have broad support among the population and put forward a constructive program. However, you know that in Czechoslovakia it is always the same names which reappear. You could easily remember them all.

These people are trying to destabilize socialism. For this reason, we cannot talk about reconciliation. We want plurality of opinion, but are opposed to an opposition which seeks to overthrow the socialist system. Our Constitution and our laws apply to everybody and we cannot tolerate activities which conflict with them. The right conditions exist in our country for everybody to be able to express his opinions and suggestions and participate in running the state within the framework of a socialist society.

[Interviewer] Why did you crush the 28 October demonstration which marked the 70th anniversary of the creation of the Czechoslovak Republic?

[Jakes] We lavishly celebrated the 28 October. All citizens were invited and there were more than 200,000 people in Wenceslas Square that day. But, the next day, various groups tried to stage another demonstration in Wenceslas Square without obtaining the necessary permission. Of course, that demonstration was not aimed at celebrating the foundation of an independent Czechoslovak state. It was aimed at provoking the public.

[Interviewer] Prominent members of Charter 77 (dissident human rights movement—LE FIGARO editor's note) requested permission to demonstrate in Wenceslas Square to mark Human Rights Day on 10 December. Permission was refused on the grounds that Wenceslas Square is a historic monument.

[Jakes] That is true, but it is a general decision which does not just apply to this demonstration. Wenceslas Square is reserved for great national demonstrations.

[Interviewer] So, could the problem be solved if the demonstration took place elsewhere?

[Jakes] I presume that the authorities will grant permission for the demonstration to take place elsewhere.

[Interviewer] What are the prospects for relations between the state and the Catholic Church? Despite an agreement which made it possible to appoint three bishops, 10 dioceses are still vacant.

[Jakes] You are right. The post of bishop is vacant in several dioceses. However, we do not feel responsible for this abnormal situation. We are only putting forward one condition: that the dignitaries proposed by the church should respect the socialist system in Czechoslovakia. They must not only respect their religious mission, but their country, its system, and its laws. I think that the Vatican ought to respect these natural criteria by proposing candidates for the vacant posts. The Czechoslovak Government's goodwill has been confirmed by the fact that we do not have this kind of problem with any of the other churches or religious communities which exist in our country. Dignitaries are regularly appointed and at the appropriate time.

It strikes me that the question of religion has become rather fashionable as far as Czechoslovakia is concerned. Because of lack of information it is often intentionally

distorted in other countries and often exploited for political purposes. In Czechoslovakia we feel no particular problems with regard to the church.

[Interviewer] Militant Catholics are planning to demonstrate on Sunday to demand the release of Augustin Navratil, the Catholic activist who drew up a petition calling in particular for the separation of church and state. Some 500,000 people signed that petition. Since then, Mr Navratil has been accused of being a schizophrenic and interned in a psychiatric hospital.

[Jakes] I did not know that any such demonstration was scheduled. In any event, since I do not know any details about Mr Navratil's case or about his state of health, I cannot give any verdict on his case.

[Interviewer] Czechoslovak culture lost a great deal with the departure to the West of prominent people like moviemaker Milos Forman and writer Milan Kundera. Do you miss them?

[Jakes] They decided to leave Czechoslovakia of their own free will. Forman comes to Czechoslovakia from time to time. It was in Prague that he filmed some scenes for his movie Amadeus. Kundera is a different matter: He is not a bad writer but he has a specific attitude toward us. He has chosen to live in the West. We have many talented artists. But, because they do not openly oppose socialism, they do not have the reputation they deserve in the West. Our cultural life is doing well without those who have left. Of course, if they had stayed, if they had worked in accordance with socialist interests, our culture would have been enriched.

[Interviewer] What is the last book by Kundera which you read and what is the last Forman movie you saw?

[Jakes] I have not read the books which Kundera has written abroad. The last Forman movie I saw was Amadeus. That movie was shown widely in Czechoslovakia.

[Interviewer] Is there hope that Kundera will one day be published in Czechoslovakia?

[Jakes] That depends on the books. We are not saying that this is impossible. We want to publish good books and not just to publish a book because its author has left his country. Quality shows.

[Interviewer] Did any members of your family leave Czechoslovakia after 1968?

[Jakes] No.

[Interviewer] What would you have done if they had?

[Jakes] I would have resigned.

Federal Assembly Approves 1989 Draft Budget

LD1312164088 Prague CTK in English 1557 GMT 13 Dec 88

[Text] Prague (CTK)—The Czechoslovak Federal Assembly approved today the 1989 draft budget.

In the debate on the draft budget the deputies stressed the necessity to ensure the restructuring of the economic mechanism in Czechoslovakia so that the new mechanism may start working already from January 1, 1990, i.e. a year earlier than planned.

The deputies also stated with satisfaction that out of the overall amount of non-investment expenditures for the population, 99,500 million crowns are earmarked for social security, expenditures on health services will increase by 8.2 per cent to reach 32,600 million crowns. Spendings on education will increase by 3.2 per cent and amount to 29,900 million crowns. A total of 5,300 million crowns are earmarked for culture, i.e. an increase by 1.9 per cent. Expenditure on housing construction and maintenance will amount next year to 31,200 million crowns, representing an increase by 5.4 per cent which reflects the task of the state plan to complete nearly 98,000 flats.

Stejskal Outlines Details

LD1312223888 Prague Domestic Service in Czech 1730 GMT 13 Dec 88

[Text] As we have already reported, the joint session of the Chamber of People and the Chamber of Nations discussed and approved the CSSR state budget for 1989 today. We shall report some remarks from the address by Finance Minister Jan Stejskal, in which he explained the government draft to the deputies.

[Begin Stejskal recording] Considerable funds are allocated for the development of the population's social consumption. However, we are aware of the fact that in the nonproduction sphere, problems exist which have been acumulating for a long time. We are striving to solve them gradually, but it cannot be done within just 1 year. Nor can we rely on a permanent increase in budget spending, but rather on the more economic and rational use of resources. At the same time we must single out and safeguard social priorities. We are drafting a program of economic and organizational restructuring in the nonproduction sphere which should significantly simplify its management, which has been too complex up to now; it should solve the uneconomic spending of material and financial resources for social consumption; it should also increase the material interest of enterprises and entire collectives in the standard of services provided and the economic use of resources. In doing this we shall also make use of experience gained during the experiment carried out to test the new system of planning, financing, and material incentive which has been in operation since

1 July in more than 100 budget and supplement organizations in the education, health care, culture, and other branches of the nonproduction sphere.

Even with the faster growth of social resources intended to protect people's living standards, wages remain the decisive factor in improving the standard of living.

The consistent application of the payment according to the contribution principle for which we strive in the restructuring of the economic mechanism must become a strong stimulus for the creation of a new attitude toward work and its final result,s in which workers will have a greater material interest and on which the standard of living standard will depend. The state plan envisages that next year the total income of the population will reach Kcs 466.8 billion, which if compared with this year's plan represents an increase of 2.7 percent. Incomes from wages represent a 2.1 percent increase. The growth of reserves in the population in the form of deposits and currencies is to total Kcs 19.5 billion. This corresponds to the usual level of popular savings, which is very important for statewide financial management. We assume that this development will continue in the future. An improvement in the present situation on the domestic market, especially supplies of those goods which are in short supply or not available at all, will have to contribute to this.

Shortcomings in the domestic market are being solved and will continue to be solved by increased supplies of goods from production and from imports, and in some cases by restricting the export of consumer goods. We believe that changes in the production sphere are the key to balancing the domestic market, an important priority in economic decisionmaking. At the same time, in 1989 we must ensure consistent wage regulation according to measures adopted by the government. The aim of these measures is to pay wages only for honest and good quality work so that working people can buy what they want with honestly earned money.

Rumors about monetary reform and preparations for alleged radical interventions in the living standard therefore have no real foundations. Our present economic problems which proceed above all from an insufficient increase in efficiency must be solved by other methods. Restructuring the economic mechanism will also move in this direction. The entire financial system must play an important role in restructuring. Above all it is necessary to create a system of taxes and levies depending on a unified, simple, stable, and normative attitude of organizations toward the state budget. As well as following the rules of financial management, organizations must ensure the state's corresponding share in the results achieved by management, and at the same time encourage enterprising activity and enterprises' interest in the effective creation of financial sources and their economic use. To this end, a comprehensive amendment of laws on levies to the state budget and on the tax from pensions will be prepared next year—this will be one of the fundamental components of the new financial mechanism. We are also preparing a government directive on the financial management of state enterprises, which by its comprehensive nature will simplify and replace a number of existing financial regulations. [end recording]

National Front Discusses Planned Constitution

AU1312082888 Prague RUDE PRAVO in Czech 6 Dec 88 p 1

[Editorial: "Why a New CSSR Constitution?"]

[Excerpts] The profundity of changes which our society is experiencing has been even more underscored by the need to implement one of the conclusions of the 17th CPCZ Congress—to prepare a new CSSR constitution. This exceptionally important task was discussed at a recent session of the Central Committee of the CSSR National Front.

In our perception, the constitution is the foundation of the legal order of the socialist state, a charter of the rights and duties of citizens; it creates legal conditions for the implementation of the programmatic objectives of society's development. Since February [1948] this is already the third constitutional document of our socialist state that we are drafting. This reflects the dynamism of constructing the state in Czechoslovakia, as well as the development of socialist constitutionality itself.

The Constitution has an exceptional position in our legal order. Therefore, society puts great demands on the constitutional document, which is the core of the Constitution. It must express the fundamental adjustment of social relations to the achieved level of society's development, and take into consideration the prospects of development. [passage omitted]

The work on the CSSR Constitution is today becoming a component of comprehensive social restructuring. The new constitution will be the further development of those principles of socialist state construction which have proven themselves in our country, as well as in all other socialist countries.

All power in the socialist state belongs to the working people; this is a principle which must be enshrined in the new constitutional document, as well as in the foundation of all laws and legal regulations.

This power of the working people is implemented through forms of direct and indirect democracy. It will be possible to take over quite a few of the existing principles of this democracy—for example, the principles of democratic centralism. Elsewhere the new legal amendment will be provide an opportunity to create conditions for a broader application and renewal of the democratic nature of the principles. It will be necessary

to weigh whether and how to include some new institutions in the new constitution: for example, holding a referendum as a form of direct democracy with regard to issues of the development of territorial entities.

The new constitution will link onto the achieved results of the federative arrangement of the Czechoslovak state. When amending the structure and powers of the highest state bodies of the federation and the republics, which, on the whole, have withstood the test of time, we will have to take into consideration the changes in the structure of the production-technical base and changes in the organization of the management of social production, including participation in the international economic cooperation with the socialist countries. We can expect that the practice of restructuring the economic mechanisms will also yield stimuli for new forms of this management and their necessary legal codification.

In the constitution, the restructuring of the economic mechanism will probably also require a new adaptation of the perception of socialist ownership of the means of production. In the highest legal amendment there will obviously be a need to express the relationship between various forms of ownership—of state, cooperative, and individual ownership—and give them a secure existence and prospects for activity.

Work on the new constitution will also continue in the sphere of asserting the principles of the unity of state power—combining legislation, administration, and control—the path of strengthening and renewing everything that has been tried and tested by practice and of weighing new ideas. The possibilities for representative bodies to assert a greater influence in the system of state organs will be assessed on the basis of experience and future needs. [passage omitted]

However, without doubt the existing level of social development will encourage reflections on how to incorporate the entire sphere of human rights into the new constitutional amendment more comprehensively and more profoundly. In a situation in which the United States and a number of other countries which are giving us and others "lessons in human rights," have not yet signed the appropriate international treaties—in contrast to the CSSR—we consider it necessary to include the comprehensive and internationally recognized perception of human rights in the new constitution. The rights of a citizen should be clearly enshrined in the constitution and laws, and the limits of those rights should be accurately adjusted in such a way that the rights of citizens could be amended only by law and not curtailed by legal regulations set by a lower legal power or by the administrative practice of bodies of state administration.

Until now, socialist legality has stressed the passive aspect—the duty to observe laws. As the foundation of the entire legal order, the new constitution should more profoundly and more consistently develop the principle that laws—beginning with the Constitution—should be formulated in such a way as to create scope for initiative and activity so that they can link the citizens' and economic subjects' entry into that sphere with the necessary measure of responsibility toward themselves, as well as toward the state. [passage omitted]

CPSL Central Committee Presidium Meets 12 Dec

LD1212225788 Bratislava Domestic Service in Slovak 1730 GMT 12 Dec 88

[Text] The CPSL Cemtral Committee Presidium met today in Bratislava and discussed preparations for the next CPSL Central Committee meeting, a draft report on the fulfillment of social and economic development this year, next year's plan, the course of the restructuring of the economic mechanism in Slovakia, and tasks which will arise from the 12th CPCZ Central Committee session.

The Presidium also discussed a draft cadre order of the CPSL Central Committee, according to which the size of the nomenclature and organs of the CPSL Central Committee will be substantionally reduced. The Presidium also discussed other questions of organizational cadre character.

Honecker Politburo Report Published

AU0712080188 East Berlin NEUES DEUTSCHLAND in German 2 Dec 88 pp 3-10

[From the Politburo report presented by Erich Honecker, SED Central Committee general secretary, to the Seventh SED Central Committee Meeting: "Resolving the Tasks of the Present With a View to the 12th Party Congress"]

[Text] Dear comrades!

During the period under review, the Politburo developed comprehensive activities aimed at promoting everything that serves to safeguard peace and to further shape the developed socialist society in the GDR. The criteria in this respect were the resolutions of our 11th party congress.

A number of positive changes can be noted in international relations. Obviously, a change from confrontation to detente is taking place, even though this process has not remained free of interventions by those who are not in favor of freeing the world from nuclear weapons by the year 2000. Nonetheless, it can be noted that with the start of nuclear disarmament achieved by the treaty on the removal of intermediate-range weapons, the international public has become very receptive of the idea of the continuation of the disarmament process both in the nuclear and in the conventional fields. The opponents of the disarmament process will find it hard to halt and reverse this process. The continuation of the disarmament process in the nuclear field and its spread to the conventional area will strengthen the positions of all those who consider the elimination of the nuclear danger and its conventional component the basic prerequisites for mankind's continued existence.

Purposeful Work for Solving the Crucial Problem of our Time—Ensuring World Peace

Under this aspect, the wide-ranging peace program presented by the Warsaw Pact member states, the Soviet party-state leadership's work, which is rich in initiative, and Comrade Mikhail Gorbachev's dedicated work for its implementation have met with considerable reaction by the international public. To resolve such problems on the agenda as a 50 percent reduction in strategic offensive weapons, while retaining the ABM Treaty; the world-wide ban on the production, stockpiling, and use of chemical weapons; the step by step discontinuation of nuclear tests for purposes of war; tackling of disarmament in the conventional sphere from the Atlantic to the Urals; the creation of further nuclear- and chemical weapons-free zones, and achieving existing forces' incapacity to attack, are a substantial challenge to the international antiwar movement as well as to the governments of those countries in particular which have major military forces.

The halving of strategic offensive weapons alone, while retaining the ABM Treaty, would thwart all the plans of those who are currently trying to make the process of disarmament reversible. Considering these problems realistically, we must agree with those who proceed on the assumption that halving the strategic offensive weapons, while retaining the ABM Treaty, and starting the disarmament process in the conventional area would create a new atmosphere in the world, which would allow us to successfully create a future marked by cooperation between countries and nations, and not by confrontation. If we tackle the solution of the crucial problem of our time—ensuring world peace—in this way, we are in agreement with the peoples' preparedness to live in peace, and we are also in a position to undercut those who do not support the world's conscience increasingly determining international developments.

In view of this fact, it is incomprehensible that the FRG Government, in accordance with our joint communique, supports a world with fewer weapons in word, but blocks the detente process under the motto "we are somebody" in deed. What other conclusion can we arrive at, if the new FRG defense minister, Scholz, continues to see nuclear deterrence as the heart of NATO's nuclear strategy. Nuclear weapons are for him "political weapons" which should remain in NATO's arsenals, in view of the "threat from the East." Part of a credible defense capability even is the modernization of nuclear and conventional weapons when and where necessary. With the dual-track nature of the FRG's policy, the foreign minister advocates a constructive response to the Warsaw Pact's peace proposals, whereas the defense minister warns about a "precipitous advance decision" on the modernization of nuclear and conventional weapons, because he knows that the controversial modernization of U.S. shorter-range weapons is already in full swing, and their accuracy and striking power have been praised in advance.

This is confirmed by a WASHINGTON POST report of 16 November 1988, according to which Chancellor Kohl during his recent talks with Ronald Reagan and George Bush assured his interlocutors that the FRG Government will agree to deploying new types of the "Lance" missile and new air-to-surface missiles, the so-called "stand-off" missiles. It is known that the United States thereby intends to "offset" the treaty's provisions on the removal of intermediate-range missiles.

This opposition to an absolutely necessary development on the road of returning from confrontation to detente is not an isolated case. Obviously, it has been nourished by those circles who profit from intensified armament, and by those who do not like the borders which are the result of World War II and postwar developments in Europe.

It is interesting to note in this context that Woerner, NATO secretary general, sees a "unique opportunity" at present to create a new security order in Europe. He says: "We cannot afford any longer to view the process of East

- West developments in the scope of the mutual status quo. We must go farther than that and start a dynamism which allows us to create a new political order in Europe." Military stability is unthinkable without a nuclear component, he says. The public in the West must be liberated from the error "that (nuclear) weapons threaten peace, instead of maintaining peace." He says that there can be no doubt that nuclear deterrence is crucial for NATO's strategy of deterrence.

All this must not hinder us from working purposefully for the implementation of the peace program of socialism, because 43 years after the end of the terrible World War II, involving the slaughter of 50 million people, including 2 million Jews of various nationalities, a new generation has grown up in almost all countries, which is today asking how that could have happened, and how a repetition can be prevented. It can be prevented if the further waste of huge sums for arms is stopped, and if at the same time it is guaranteed that these sums are used for social and cultural purposes in the interests of all nations, not only individual groups. I would like to say that on these issues we have found open ears in many countries of the world. Under these aspects, it is important not only to understand the policy of our party and government, but also to strongly and consistently convince every GDR citizen that it is the key to a peaceful future for their children and their children's children.

For Further Increasing the Level of Fraternal Relations Between the GDR and the Soviet Union, Which Are Marked by Unprecedented Intensity and Variety

Comrades, during my meeting with Comrade Mikhail Gorbachev in Moscow, we both agreed that despite the continuing complexity of the situation, a change for the better is emerging in the world, that there is a growing realization of the necessity to implement the new political thinking on a broad basis, and to overcome militarist cliches and the spirit of confrontation in international relations. In this sense, we described the removal of Soviet and U.S. intermediate- and shorter-range missiles as a truly historic process which paves the way to other far-reaching disarmament initiatives. At the same time, we pointed out that every attempt to compensate for the removal of the missiles under the INF Treaty is inadmissible, because this would lead to a new round in the arms race.

It was further noted that the GDR and the USSR prefer supporting the continuation of the disarmament process without interruption, by achieving further accords and agreements on an increasingly far-reaching radical reduction in existing weapons arsenals, including all nuclear weapons. We confirmed our view that the proposals submitted at the meeting of the Warsaw Pact Political Consultative Committee in July this year open up the opportunities for a new breakthrough in disarmament in the area of reducing forces and conventional armaments in Europe, and, in a broader sense, for the practical creation of elements for the all-European home.

We stressed unanimously that in the current responsible phase of East - West relations, special attention must be given to constructive political dialogue as well as to agreements that serve peace and the development of cooperation advantageous to all.

This and all the other conclusions contained in the joint statement emphasize that this meeting in the current phase of the diverse development of the socialist countries and of the further development of our common peace initiative was of historic importance. In a decisive phase of mankind's development, we coordinated our course which is aimed at strengthening peace and consolidation of the positions of socialism.

Our talks reflected the unswerving friendship and firm solidarity of our two parties and states. They confirmed once again that we agree on the basic problems of foreign policy and socialist building. We paid tribute to what has been achieved in relations between our parties, states, and peoples, and agreed to further increase the level of fraternal relations which are marked by unprecedented intensity and variety.

Our party and people support the CPSU's course that is anchored in the resolutions of the 27th party congress. At the same time, the CPSU and the Soviet people support the SED's course that was adopted by the 11th party congress for strengthening the socialist German state and for its people's benefit. These conclusions are a reply to all those who harbor the illusion of being able to drive a wedge between the CPSU and the SED. Let everyone know that the process of restructuring in the Soviet Union is of considerable significance in the strengthening of world socialism and in ensuring peace.

In assessing this problem, no one should be diverted by the nonsense you hear in bourgeois circles who have gone wild and would like to rewrite the history of the CPSU and the Soviet Union in the bourgeois sense. However, they will not be successful, because in its development since the October Revolution, the Soviet Union has emerged from all ordeals strengthened. As Comrade Mikhail Gorbachev said in his speech on the 70th anniversary of Red October, that was so when socialist industrialization, the collectivization of agriculture, and the cultural revolution were of historic importance for the strengthening of the Soviet power. In this connection, the preconditions were created for the Soviet people's victory in the Great Patriotic War over the barbaric Hitler fascism, and for reconstruction work for overcoming the consequences of war, for shaping a socialist state which did not allow itself to be diverted from its socialist and peace promoting path by the U.S. atomic bomb.

Such an approach to history, which is in accordance with our common experience, is extremely useful for the cause of socialism in general, because—as has been stressed in the joint statement on the meeting between Mikhail Gorbachev and me—united by firm friendship

and international solidarity, based on our common views on basic problems of foreign policy and socialist building, we continue to be resolved to further increase the level achieved in the development of German - Soviet relations which are marked by unprecedented intensity and variety, and the centerpiece of which is the close combat alliance between the SED and the CPSU on the basis of Marxism - Leninism.

Comrades, the many various contacts with the fraternal parties have confirmed our assessment that while there is basic agreement on our aims and tasks, the variety of forms and ways of shaping the socialist system is growing further. For that reason, the comradely exchange of views and experiences is gaining in significance. Our party contributes an active share in this respect.

It is one of the achievements of socialism that the comprehensive cooperation of the socialist countries under the leadership of the fraternal parties is shaped on the basis of the principles of equality, independence, and responsibility to their own people, as well as on the basis of mutual trust and mutual advantage. In this respect, we proceed from the concept of scientific socialism, worked out by Marx and Engels, according to which the new society is built with each country's conditions being taken into account. Thus it is not new for us, for example, that there is no model that applies to all socialist countries. That would totally contradict the existing circumstances and experiences.

All parties pursue the aim of facilitating a high dynamism of a socio-economic development in their countries, improving their people's living standard, and thus making socialism more attractive in peaceful competition with capitalism. While this is being done, problems emerge which cannot always be solved immediately in the most effective way. We have never considered using a substitute for our own necessary theoretical thinking and practical acting, nor will we do so in the future. Everyone gains from the evaluation of other socialist countries' experiences.

The developments in the world of socialism are more diversified than some people previously assumed. Simplified ideas are more than ever out of place. But there is no problem between socialist countries that could not be mastered on an internationalist basis.

Dear Comrades, in this very situation, in which it is important to keep our ship firmly on the course of the 11th party congress and the party program, influential people from the Western world, ranging from Springer's newspaper concerns to the SUEDDEUTSCHE ZEITUNG, for whom our policy was "too Russian" and who always stressed that we are Germans and have to take our particular features into account, have recommended that we deviate from this course and, instead of it, march into anarchy. These new "pals" of the Soviet Union, as a GDR citizen wrote to our Central Committee, do not like the fact at all that today we combine the generally valid rules of socialism with our actions, as our party has always done. It has never allowed the cult of personality and mass repression to occur here. The letter ends with the call: Continue this good policy!

Comprehensive Preparation of the 12th Party Congress in May 1990 in View of the Year 2000

Dear Comrades, as can be seen from the material on hand, the Politburo proposes to the Central Committee to convene the 12th SED Congress in Berlin from 15-19 May 1990. The comprehensive preparation and implementation of the 12th party congress will contribute to our meeting the demands that time has made on us with even greater vigor, farsightedness, and responsibility, and to clarifying the tasks to be fulfilled in this period in view of the year 2000, before the start of the 1991-1995 5-Year Plan.

We live in a time in which the development of productive forces is increasingly becoming the gauge of social developments. This concerns all areas of our society, politics as much as economics, social policy as much as intellectual and cultural life, that is, everything that we, on the basis of our party program, understand as the further shaping of the developed socialist society, which is a historical process of far-reaching political, economic, social, intellectual, and cultural changes.

In this context, we have set ourselves the task of developing all advantages and driving forces, all aspects and fields of society, the productive forces and conditions of production, social and political relations, science and education, culture, working and living conditions as a whole, on a high level, according to the plan, and to guarantee the country's defense. The national economy, as the decisive basis for our social policy program, is at the center of these tasks. The development of intellectual and cultural life is dialectically connected with this.

Many recent events have confirmed that the people understand things in this way. Here I am thinking of the mass rally of the Berliners on the occasion of the commemoration day for the murdered leaders of the German proletariat that took place in January this year and of the enormous, unprecedented mass demonstrations in Berlin and all bezirke of the republic on 1 May. I am thinking of the great achievements in the national economy, in our industry and agriculture, in educa[illegible]nd in the field of culture, and of the enthusiastic ha[illegible]over of the 3-millionth apartment built since [illegible] to a working class family in Berlin-Hohenschoennausen, a district which in former times was in the middle of nowhere and where today new houses stand, where the average age of the population is 29, where families with many children have their homes, and housing conditions have been created that were formerly only available to well-to-do people.

Dear comrades, we should not fail to see this and many other things when we now take a further decisive step toward fulfilling the resolutions of the 11th party congress and preparing our 12th party congress. Here we will preserve things that have stood the test, will throw out everything that prevents our progress, and we will tackle many things in a new way. This corresponds to our requirements, the experiences in other socialist countries, and the character of our party. We are a party of innovators which can look back on 140 years of tradition, on its founders, the founders of scientific socialism, Karl Marx and Friedrich Engels.

Guiding Principle of Our Actions for More Than 4 Decades: "Everything With the People, Everything by the People, Everything for the People"

Comrades, the development of the national economy through dynamism, stability, increased efficiency, and quality is characterized as the core of social policy. The increasing economic strength of our country is a solid basis for an increased standard of living, social security, full employment, a high level of education, and free medical care. With their excellent performances, with words and deeds that correspond, the GDR workers make our party's policy their own affair. The party has a firm place in the hearts of the citizens of our socialist motherland. This is because the welfare and happiness of the people in peacetime are the supreme principle of the SED's actions, because it feels itself responsible for everything that happens in our country and because we have made the slogan "Everything with the people, everything by the people, everything for the people" the guiding principle of our actions for more than 4 decades, especially since the KPD and the SPD united to form the SED.

Based on the continuously increased capacity of our national economy, the GDR's people have achieved a standard of living that is unprecedented in their history. It is basically higher than the standard of living of—as Chancellor Kohl stated recently—the "power in Western Europe that is not only the strongest in the industrial, but also in the military sector," where, however, according to trade union representatives, the rich become richer and richer, and the poor become poorer and poorer.

Yes, comrades, sometimes one forgets that:

—We have no mass unemployment, but full employment,
—we have no new poverty,
—we have no need for soup kitchens,
—we have fulfilled the food program,
—we have no educational crisis, but a uniform socialist educational system, a 10-class polytechnical secondary school for all our people's children, which provides general education,
—we have a developed health system without any cuts, which corresponds to the interests of the citizens,
—we have been implementing a comprehensive housing program for 17 years,
—we have changed over our national economy to intensification and to modern stocks of basic assets in good time, that is, for 17 years.

In order to be able to reach sound conclusions for further work, it is appropriate to consider a longer period. This is the period that we initiated with the eighth party congress in 1971. The time prior to this had been greatly taken up by the strenuous and, at the same time, clever activities of our party, of its Central Committee led by Comrade Wilhelm Pieck, Otto Grotewohl, and Walter Ulbricht, to clean up the expanse of ruins which Hitlerite fascism had left us on an intellectual and material level after its war of conquest. Berthold Brecht expressed this appropriately in the song he presented to the youth at the beginning of our reconstruction. He said: "Away with the rubble and build something new! We have to look after ourselves. And if you are against us, show yourself, if you dare!"

We have achieved great things. Nobody can dispute that, even if he considers it most critically. First, we have eliminated the intellectual and the material ruins, and we have built something new. Second, we have paid reparations to those countries which suffered most under Hitlerite fascism. Third, we have created the basis for socialist transformation by means of antifascist-democratic transformation.

In short, allied with the peasants and the intelligentsia, the workers class saw to it that in 1971 we we were able to tackle the further shaping of the developed socialist society at a higher level, the core of which became the unity of economic and social policy. The saying "He who stands still, will be left behind" has always spurred us on to new deeds. We wanted to move forward, and we have moved forward.

We start from the premise that the economic development in our country is marked by rates of increase that are considerable, even by international comparison. Since 1971 to this day, we have had an annual economic growth rate in our produced national income of more than 4 percent. Each percentage point every year represents a larger dimension that we can use to strengthen the power of accumulation and for consumption. Whereas a one-percent increase in the national income represented a volume of M1.2 billion in 1970, it represented M2.6 billion in 1987. In 1970 industrial goods production worth more than M240 billion was achieved; in 1987, this was M551 billion. It should be stressed that here an increase in the national income is increasingly based on an increase in labor productivity. Just as in the past 2 years, the increase in the national income in 1988 is being totally achieved through higher labor productivity.

The drafts of the 1989 national economic plan and the state budget that are before the Central Committee are again entirely marked by the course of the unity of

economic and social policy. They represent another important step in the economic strengthening of the GDR and, in keeping with our socialist planned economy, envisage high tasks that are based on a realistic analysis of existing resources and means.

To us, a real plan is always an ambitious plan that can be fulfilled by using all resources and with the working people's initiative. In this sense, the tasks set in it are based on a qualified stocktaking of our economic development. We always start from great dynamism, which results primarily from the fact that the rate of the scientific-technical revolution is constantly accelerating.

A realistic and at the same time ambitious plan promotes the working people's energy, knowledge, and skills in achieving high performances every day in socialist competition. As all our experiences have confirmed, such a plan also encourages people to try and find ways to release additional reserves and to exceed the plan targets. That has again been proved by the many and varied initiatives and obligations that have been implemented in the movement "My workplace—my combat station for peace," on the occasion of the 40th anniversary of the founding of the GDR.

Up until the last day of the year 1988, it is our task to struggle for the fulfillment of the 1988 national economic plan and to observe the obligation to exceed it purposefully. It is important to further expand in socialist competition the results that have been achieved so far in everyday performance regarding good-quality production, with the right assortment and according to contract. The task is to manufacture a highly distributable end product for a good supply to the population, for the material-technical safeguarding of production, and to fulfill our export tasks. In this respect, it is indispensable to conscientiously fulfill the production targets in the state plan items, and to ensure the necessary supplies. All our experiences confirm that a universally fulfilled plan is the best basis for the smooth transition into the new year.

Entirely in this sense, a realistic and ambitious plan includes the ensuring of a dynamic and, at the same time, stable economic growth. That remains an indispensable prerequisite allowing us to increasingly satisfy the people's material and cultural needs, strengthen the socialist state's economic power, and continue to reliably guarantee the protection of socialist achievements.

On the Road to Intensification, Higher Labor Productivity, and Efficiency of the Entire National Economy

What are the results that are of basic importance in the development of our national economy on the road to intensification, and what conclusions have to be drawn?

1. If we can say that our economic labor productivity—expressed in the produced national income per working person in the production sectors—increased from M17,884 in 1970 to M27,515 in 1980, and to M36,749 in 1987, and thus more than doubled, this is connected with far-reaching changes in the technology, organization, and thus modernization of equipment in decisive areas of our national economy. The stock of basic assets per working person increased from M79,217 in 1970 to M130,711 in 1980, and to M171,911 in 1987. In industry it rose from M102,291 in 1970 to M228,563 in 1987.

All that proves clearly that the decisive and crucial factor for an increase in labor productivity lies in the modernization of equipment. The increase of in-house production of rationalization means from M778 million in 1975 to M2.5 million in 1980, and finally to M9.3 billion in 1987 in the area of the industry ministries alone also served this purpose. In the national economy in general, it increased from M1.1 billion in 1975 to M12.5 billion in 1987.

However, we have to assess what has been achieved realistically. The growing dynamism of production forces has led to entirely new possibilities of higher labor productivity in all developed industrial countries. The international dynamism of this process is continuing. We not only must keep abreast of this rate, but we must accelerate our rate. To increase labor productivity considerably means to ensure our living standard now and in the future, and to be able to expand it. Therefore, the lesson can only be to make larger material and intellectual efforts to create in our national economy the basis for increasing labor productivity and thus for increasing performance.

The conclusion that can be drawn from all this can only be that we must continue on this road of comprehensive modernization of the production facilities and socialist rationalization of the work processes, and this on a much broader basis and with even higher economic results. Our economic efforts regarding the supply of equipment, necessary construction projects, and at the same time qualifying the people who work with this new machinery must be considerably enhanced.

With the Schwedt initiative we have a well-tried concept to win over working people by means of socialist rationalization and scientific labor organization, to expand consumer goods production, strengthen the in-house production of rationalization means, and increase shift work. In the past 10 years, the Schwedt initiative allowed us to entrust more than 600,000 working people in industry, in the construction sector, and in the transport system with new, ambitious tasks.

As in Schwedt, excellent results were also achieved in combines like Robotron, in the Mansfeld Combine, the Printing Machine Combine, and the "7 October" Machine Tool Combine." Here they work according to the realization that higher performance is not achieved

by requesting more manpower, but by increasing productivity, meaning that scientific-technological innovations are combined with using the abilities of working people and improving their qualifications. Socialist rationalization Schwedt-style, according to the motto "fewer people produce more," has more than ever become an important field of the working people's active cooperation in the implementation of the resolutions adopted by the 11th party congress.

Whenever a new product or a new technology is introduced, it is important to set high goals for economizing work hours and manpower. That means that, with every investment, more jobs must be economized than new ones created. The Schwedt initiative also means that the expense of management and administration must be considerably reduced by modern computer technology and a relevant labor organization. That includes all areas of the national economy, and it is necessary to carefully discuss the resulting questions with the working people and to solve them responsibly.

In order to strengthen the efficiency of industry, it is necessary to ensure the training of a new generation of skilled workers in the structure of those professions which are laid down in the plan. In this respect, we appeal in particular to the bezirk and kreis councils, even more so since almost 3,200 apprenticeships remained vacant in industry and in the construction sector. On the other hand, over 2,300 apprentices more than envisaged by the plan were hired for local facilities of trade, transport, utilities, and other areas of the councils. Economic growth as the decisive basis for the people's living standard requires the implementation of the targets in vocational training. To ensure the training of a new generation of skilled workers means to safeguard the future of enterprises and their efficiency. The bezirk and kreis councils must meet their responsibility for plan fulfillment with high discipline everywhere.

Considerable reserves for an efficiency increase also lie in the full utilization of work hours. What can be won becomes clear if we consider that losses resulting from waiting and idle times, as well as absenteeism without a valid excuse in industry and in the construction sector this year correspond to a labor capacity of 15,000 working people. Consumer goods and equipment, as well as construction works worth more than M2 billion could be produced with this for a year. So the working people's initiatives for high continuity in work, for order and discipline are of considerable importance, because nobody must live at other people's expense.

Every GDR citizen should realize that the performance principle is valid in the GDR, and should act accordingly. What an individual person contributes to the benefit of our society also determines the degree of recognition in his earned income and in moral appreciation. In this way we continue to shape our wage policy, which is oriented toward performance and is closely connected with an increase in labor productivity.

2. Of equally fundamental significance to the increase in labor productivity is the fact that since 1980 production has developed with constant, indeed falling material consumption. Energy expenditure per unit of production has so far been reduced to 69 percent of that used in 1980. In the use of raw materials and materials expenditure has fallen to 74 percent, including a drop to 58 percent in rolled steel in the metal processing industry. In the first half of the eighties, 40 percent of the increase in national income resulted from reduced specific unit input. The consumption of economically important raw materials and other materials has not increased but has dropped in important positions and on an overall basis.

Let me give you more some details.

In 1980 raw materials and other materials worth M55.2 billion were used. In 1987 the amount was reduced to M53.2 billion.

In 1980, 6.6 million tonnes of rolled steel were used in the GDR's economy, in 1987 only 5.8 million.

In 1980, 10.3 million tonnes of cement were used, in 1987, 8.5 million tonnes.

In 1980 we purchased 19 million tonnes of mineral oil from the Soviet Union. From 1982 on, the amount was reduced by 2 million tonnes every year, which results in 17 million tonnes per year. This made it necessary for the GDR to install plants for the deep cracking of mineral oil worth nearly M7 billion. At the same time, another M12 billion were spent on fuel oil and imported natural gas. Investments were also made in the brown coal industry to increase the production of raw brown coal from 276 million tonnes in 1982 to about 310 million tonnes.

Important raw materials, such as lead, zinc, ammonium sulfite, pulp, and other supplies from the Soviet Union were reduced as compared with the level of 1985. This amounts to an overall reduction in these positions of nearly 1 billion valuta Marks for imports from the nonsocialist monetary area in 1986.

These figures demonstrate in an impressive manner that an increase in production was ensured, while the raw material consumption remained constant or decreased. This required great efforts in the sphere of the national economy. To ensure production with a constant or even lower consumption of raw materials must continue to be our guideline in the future.

Everything I have now talked about became possible only because great attention was devoted to refining. Completely new technologies and machines were used to a great extent for the deeper cracking of mineral oil, the more efficient production of steel, the development of higher processing grades in metallurgy, and in many other spheres. In general, they belong to the most modern in the world. Only in this way and through the

consistent struggle for the economical use of every kilogram of material, of the energy sources in the entire national economy and society was it possible to achieve these far-reaching results.

Apart from refining, it is important to use secondary raw materials comprehensively. In steel production, 67 percent of scrap metal is used. In view of the fact that we have no ores in the GDR and taking into consideration the importance of recycling, this is the most efficient method. Over 50 percent of all paper is produced on the basis of waste paper. The overall portion of "secondary raw materials"—a term that is not quite correct—in overall raw material procurement is over 12 percent. In this way, as a country that is poor in raw materials, we are making arrangements for the future. At the same time, we also gain a great deal of technical know-how, both for domestic supply as well as for export.

The situation in the raw material markets will not change. High, even increasing expenditures continue to be necessary for extracting or purchasing important raw materials. For this reason, refining must assume an important role in shaping the economic structure of our production.

International comparisons show that in the consumption of energy and raw materials we still have large reserves to be tapped in order to approach the level of the advanced industrial countries. The solution of these questions will be decisive for the expenditure and the results, for the costs and profits, and for the development of the standard of living.

3. The GDR has achieved an export surplus every year since 1982. This is extremely important for the economic stability of the country, for the leeway in foreign economic affairs, and for the further realization of the unity of economic and social policy. The economy must not be a one-way street. We have been implementing this principle since 1982, and we will continue to do so in the future.

The export surplus is primarily the result of the Politburo's policy, the result of efforts by the combines and enterprises to adapt in an increasingly better way to the requirements of the international markets in terms of the structure of their production, the range of products, customer services, quality, and adherence to dates of delivery. In some spheres we have succeeded not only in maintaining the good reputation of products from the GDR, but even enhanced it. Let me mention the examples of machine tool construction, printing and textile machine construction, precision engineering and optics, in close connection with electronics and the glass and ceramics industry.

Significant material and intellectual efforts are required to meet the great demands of foreign customers, with regard to the efficiency of products, their appearance, and the production costs. Consistently developed production for export, quality production up to the finished product, and active participation pay off. They pay off in economic terms. The advantage for the entire national economy is quite obvious. It is not only a question of the immediate economic profit that is gained, but in this way it is also possible to raise the general standard of production to a new level, in accordance with international yardsticks.

In the sphere of exports, we will be facing tasks in the coming years that exceed the previous ones in terms of their quantitative and qualitative dimensions. Customers become more exacting in all markets, the highest quality and economic efficiency are demanded everywhere, and it is important to show flexibility and to present convincing achievements.

For this reason, considerable efforts are necessary to continue to ensure and strengthen the dynamics in the sphere of exports, to the benefit of our national economy. Corresponding measures must be taken by the combines and enterprises to develop new products, to introduce them quickly and safely into production, and to enhance rationalization, so that the required capacities and efficiency are ensured. We will have to spend considerable financial resources on this.

Let us take together the three points which I have considered here. The consistent implementation of the economic strategy of our party that is aimed at intensification has introduced a far-reaching change in the structure of the national economy. In order to increase its strength, we are continuing it.

With our Economic Strategy We are Well Equipped for the Tasks of the Nineties

Comrades, our economic strategy enables us to tackle the tasks of the nineties. This strategy is a guideline for action. It is based on the general laws of socialism and the experiences of a long-standing and tested policy.

Work is now in progress on the basic concepts of a future increase in performance. The resolutions designed to increase the production of goods that make a sizable contribution to the GDR's national income and which secure international top positions in the market assume an important role in this. All this makes it necessary to increase investments in the most important branches of the national economy.

Combining the achievements of the scientific-technological revolution with the advantages of socialism will be moving further toward the center of planning in the coming years. In first place stands the rapid qualitative and quantitative expansion of our own production in the field of key technologies, especially microelectronics. The state plan for investments will concentrate on this.

The economic use of microelectronics is of particular importance in machine construction, particularly in the construction of machine tools and processing machines. Development in this sphere is characterized by a high increase in production, which has been achieved by combining precision engineering with the increasingly broad use of microelectronics, as well as by developing automated production systems, including software. Every construction combine is faced with the task of creating and expanding efficient facilities for modern control and operating technology, including microelectronic circuits made for specific requirements.

The broad development of microelectronics provides vigorous impulses for the production of high-quality industrial consumer goods. More products must be manufactured that correspond to customers' requirements and which can be sold with profit on external markets. It is important to increase both quality and quantity. The renewal rate must not be increased where there has been great demand for a long time. [sentence as published]

As I already pointed out, the refining of domestic and imported raw materials will determine the direction of the development of our industry in the coming years. For the chemical industry this implies that the successful path of the deeper cracking of oil that has been embarked upon must be continued. This is necessary in order to cover the increased demand of the national economy for fuels and to gain more raw materials for further chemical processing. We will continue to use important scientific-technological facilities and make sizable investments to increase the portion of light products in the volume of oil products. In this way the GDR will maintain and expand its outstanding position in the international market.

Together with the expansion of carbochemistry, the increased economic use of oil as a raw material will be the basis for the raw material supply to our national economy in the coming years. At the same time, the chemical industry will be determined by the development and production of selected polymer materials, of composite materials, and pure chemicals for microelectronics, machine tool construction, the construction of vehicles, and biotechnology. This will contribute to the more efficient production of high-quality final products and will increase the economical use of material and energy in many spheres of the national economy.

Further improving the quality of the range of products in the metal processing industry is one of the most important concerns in the modern development of our material-technical basis. The installations that have been built with high expenditures must be utilized and expanded in such a way that economic production can be carried out on the basis of a constant use of metallic raw materials. In this connection, refinement metallurgy is of great importance. Custom-made profiles and sizes, microalloyed steels, and structural steels with higher tensile strengths play a vital role in improving the mass-performance ratio for all users.

At the 11th SED Congress the increasing significance of new technical ceramic materials was stressed. We have achieved considerable progress in this field, and progress should be swiftly expanded. On the basis of domestic raw materials, highly refined new glass and ceramic materials for the key technologies, as well as construction ceramics, composite materials, and glass silk products are to be developed and produced. It is necessary to further improve the quality and procurement of the traditional glass and ceramics mass materials, such as float glass, glass for containers, household and fine ceramics, and to cover the complete demand by domestic production.

Considerable efforts will be required in the coming years to further strengthen our own energy basis. It is important to utilize our own raw material brown coal in the most efficient manner. At the same time, the importance and the volume of nuclear energy will increase. Cooperation with the Soviet Union and the other countries will gain significance in this field. As long as there is no alternative to nuclear energy, we will expand the capacity of nuclear power plants, which currently account for about 10 percent of energy production. It must be stated in this connection that in France, for example, 70 percent of the electricity is generated by nuclear power plants.

It continues to be vital for our economy to reduce the specific consumption of energy resources. The next 5-year plan provides for the tapping of an energy saving potential that is equivalent to at least 80 million tonnes of raw brown coal. This is a sensible goal in view of the fact that high expenditures will be required for the additional production or the import of energy and raw materials.

In connection with the creation of a broader energy basis, the refining of raw brown coal to usable high-quality energy sources, such as gas, coke, pulverized fuel, and briquettes, as well as chemical raw materials is to be further intensified. The efficiency of the production of electrical energy in the brown coal power plants is to be steadily increased through the rationalization, reconstruction, and modernization of 100- and 120-megawatt power blocks. Environmental protection has to be ensured to a greater extent in this field.

In all considerations on the future structure of the national economy, we must take into account the fact that today already over 50 percent of the GDR's national income is influenced by foreign trade. Therefore, all measures to develop our production and its material-technical basis must be directed toward increasing the contribution of foreign trade to national income. Above all, it is necessary to increase the portion of export products with high profitability and to prepare and introduce the required structural changes on a long-term basis.

Changes in the production profile of the metalworking industry play an important role in our strategic deliberations. The metalworking industry must meet its role as the main branch of the economy responsible for exports to an increasing extent in the future. Economic units such as the "Fritz Heckert" and "7 October" machine tool combines, the Polygraph Printing Machine Combine, the Textima Combine, and the Nagema Combine bear great responsibility in this respect. A significant scientific-technological potential and a workers class that is rich in traditions are concentrated there.

In these and other combines of the metalworking industry it will be necessary to produce goods in sufficient quantity that determine the international level and are linked with microelectronics. This makes the sales in foreign markets which yield foreign currency possible. This involves, of course, strict adherence to delivery dates, reliable servicing, and the availability of sufficient spare parts. The exacting demands on the efficiency of the combines in the metalworking industry result, among other things, from the fact that they play a decisive role in equipping the entire national economy with modern machines and installations.

Growth of Income Decisive for the Further Successful Implementation of the Unity of Economic and Social Policy

To increase the efficiency of our national economy, it is necessary to mobilize all forces for the growth of the national income and the distributable final product. To increase the accumulation power of the production sphere is one of the most urgent tasks in the national economy. On the one hand, it is important to increase the portion of accumulation in the production sphere. At the same time, the efficient use of investments is gaining increasing significance.

During the past few years, we have used considerable assets of the national income for the nonproductive sphere. In this way, sizable advance performances have been achieved. The accumulation funds in the nonproductive sphere, for example, had nearly doubled by the end of last year, as compared with 1970. This made possible the construction of a house of culture in Gera, the renovation of the German Theater and of the Kammerspiele Theater, the construction of the Friedrichstadt Palace, the reconstruction of the Schauspielhaus Theater in Berlin and the Semper Opera in Dresden.

In the health sphere, important facilities were newly built or thoroughly renovated. This includes the construction of the Charite Medical Institute, the bezirk hospitals in Karl-Marx-Stadt, Suhl, Gera, Neubrandenburg, Cottbus, Schwerin, Frankfurt (Oder), and Potsdam, as well as a number of other hospitals and the university hospital in Halle. A total of 163 medical clinics, 199 outpatient clinics, and many other institutions that are extremely useful for the citizens were also built.

The material and financial assets that are actually at our disposal made it possible to increase the accumulation in the nonproductive sphere for the expansion and modernization of the basis assets, for the broad introduction of new technologies and products by only 7.9 percent during the same period. The portion of the national income spent on investments in the production sphere dropped to 9.9 percent last year from 16.1 percent. In this connection, it has to be taken into consideration that for investments in the coal and energy industry alone, which is vital for our national economy, considerable and increasing resources are required every year. The sum that was needed in recent years totalled M9 to 10 billion per year.

To make clear what amounts are involved, let me mention that the resources used reached the same amount in 1988 as the overall investments in electrical engineering and electronics, in heavy machinery and installation construction, as well as in the light industry sector. We do not want to conceal the fact that over M14 billion has already been spent on the establishment of our own microelectronics industry, including a 1-megabyte memory. More details can be obtained from the budget that was presented to the People's Chamber.

With a growing volume of accumulated funds, it is now important to create the prerequisites for ensuring a 4-percent annual increase in national income, which is necessary to also continue the policy of the main task in the future. Each minister is responsible for making a larger contribution to the national income, and thus for increasing the distributable final product for supplies to the population and the economy, and for export. Only the growth in the national income and in the distributable final product, which is based on our own achievements, extends the scope that we need to strengthen our country's economic capacity, to benefit our people, and to secure peace.

United and with closed ranks, we must do everything possible to raise the accumulated capacity in the productive sector of our national economy. The size and efficiency of investments largely determine the rate of the increase in national economic performance and the further successful implementation of the unity of economic and social policy. The direction, speed, and efficiency of the structural change in our national economy are controlled.

It is, above all, due to investments that important component parts and assembly groups are produced and the basic prerequisites for an increase in the final product and the supply of replacement parts are created. Where these investments are neglected, for example, in the sector of rolling bearings, standard parts, hydraulic products, castings, and in other fields, this results in so-called "capacity-dictated imports." This means high costs for our economy. Such capacity-dictated imports and an increase of them in certain sectors indicate that the responsibility for organizing efficient production is

shuffled off to the sector of imports, and thus, to the disadvantage of the entire national economy. After all, all this has to be paid for by increased exports, and a cycle is started that leads to higher import wishes. This can only be solved by thoroughly studying the existing intertwining in producing a final product and by making investments where they lead to a large-scale increase in performance. This is and remains the decisive factor.

The Politburo has passed a basic resolution to further improve the management, planning, and control of investments in the economic sector. In it, the responsibility for investments of the Council of Ministers, the State Planning Commission, the ministers and the general directors of the combines is clearly and definitely laid down. It is basically a matter of achieving a larger increase in the available national income from each mark invested.

A state plan for investments is being created as an instrument of central management and planning of our country's national economy, to further shape the effective structure of the national economy. In close connection with the state plan for science and technology, it contains economically decisive investment projects and the material-technical means to safeguard their implementation, in order to create products and technologies that set world standards in a short period of time and with a high degree of economic profitability.

This state plan should not contain more than 300 projects of great economic importance. The general directors of the combines are entrusted with the responsibility for all other projects. According to the tested principle of democratic centralism, this opens up great opportunities for efficient investments. At the same time, state control of the best use of investments, which is exercised by the banks and the financial and credit system, is strengthened to safeguard high efficiency. This includes the fact that in every enterprise the exact calculation of costs and results is guaranteed at the stage of preparing investments, in their implementation, as well as in the statements of accounts.

As the analyses submitted to the Politburo show, compared to the previous year, a certain progress has been made in the implementation of investments in 1988. However, considerable backlogs which seriously endanger the timely start to a number of projects have again been permitted. In the short run, conclusions have to be drawn from this for the implementation of the 1989 plan. The basis is the Politburo decision of 28 June of this year on the further improvement of the management, planning, and control of investments in the economic sector, which also defines the responsibility of the Council of Ministers, the State Planning Commission, the respective ministers, the general directors of the combines, and the State Bank of the GDR. The further training of our economic experts in accordance with international standards is of great importance. Our Socialist Economic Management Central Institute, where economic cadres from the Soviet Union and other socialist countries also recently studied, has to participate in this.

I want to stress the following:

1. The decisive prerequisite for the complete implementation of all planned investments in the economic sector is and remains the safeguarding of a high increase in performance and efficiency in industrial construction and the capital goods industry. This has to be achieved primarily by means of comprehensive intensification, especially by accelerated development and the large-scale use of top-level scientific-technological achievements.

2. Above all, the coordinated use of construction and equipment capacities has to be concentrated on doing everything to hand over investment projects to be put into operation in 1989 on time and with the required quality. This especially concerns the projects of the state plan for investments and the projects to be completed in honor of the 40th anniversary of the founding of the GDR. At the same time, a sufficient working standard has to be guaranteed for the projects to be put into operation in 1990.

3. In further developing the planning of investments in concrete projects for a period of at least 2 years, starting with the 1989 plan, there have to be considerably increased efforts to concentrate the implementation of the construction projects according to an order of priority. At the same time, the current practice of the overall planning and balancing of millions of marks for construction without taking into account specific construction projects has to be overcome.

4. In evaluating the performance of the industrial combines, it is above all important to attach decisive importance to safeguarding the implementation of the planned projects according to the contracts. In order to implement the investment plan in a stable way, increasingly available reserves have to be created in the balance sheets for the construction and equipment sectors. The timely active participation of the construction and equipment enterprises in developing the most effective solutions for preparing the decisions on investments has to be guaranteed by all means.

5. The technology and the implementation of the projects and project solutions have to be optimized, and the construction expenses have to be reduced. By more rational decision processes and by planning in two stages instead of three, the expenditure of time for preparing and implementing investments has to be decisively reduced. The volume of project data has to be restricted to an extent that is absolutely required for deciding and organizing construction and installation.

6. A high technological level and the good organization of construction work, as well as order and discipline on building sites considerably contribute to enhancing the construction workers' and fitters' incentive to perform, to make rational use of technology, and to implement the principle "Working hours are hours for performance."

7. According to the established order, there has to be an increase in the efficiency of the party's control over the qualified preparation, implementation, and putting into operation of the investment projects according to the plan. Here the results of the checks should be directly evaluated with the responsible managers, in order to make the necessary decisions. It is the duty of the party organizations to promote initiatives for the fulfillment of the planned tasks on schedule and with the required quality in the construction and equipment collectives. The trade unions' comprehensive competition on building sites has to be generally supported.

In the locally administered construction sector, we start from the principle that, in their territories, the bezirk councils are fully responsible for comprehensive housing construction and the development of high performance and efficiency in the construction combines of which they are in charge. This equally applies to the reliable implementation of the tasks in the industrial construction balance. The minister of construction industry has control over it. He sees to it that advanced experiences are generally applied and that the latest scientific-technical findings are comprehensively applied.

The GDR's Further Development as an Efficient Industrial Country Is Inconceivable Without Microelectronics

Comrades, in 1976 the Central Committee passed a resolution on developing, producing, and using microelectronics in the GDR. This was of strategic importance. Today the GDR is one of the few developed industrial countries on earth that, as a whole, master the development, production, and application of microelectronics. With full responsibility, we can estimate that without the great efforts in the years that have passed since that time, the increase in performance and the economic structure which we need to implement the course of the unity of economic and social policy in the long run would not have been achieved. In a word, we have chosen a direction that guarantees our future.

As a result of the resolutions adopted at the 10th and 11th party congresses, the development of microelectronics in the GDR was accelerated. Now it has reached a stage at which its production and application permeates the crucial areas of our national economy as well as science, education, and the health system. The GDR's further development as a modern, efficient industrial country is inconceivable without microelectronics.

We always have the obligation to analyze what has been achieved, and to define our next tasks on this basis. With reference to microelectronics, we can say that thereby a basically new source of effectiveness and performance was opened up, which cannot be compared with what we had before. It does not represent additional quantities of energy resources and materials, but it has mobilized a considerable intellectual potential of our country in science and production. The rich experiences of tens of thousands of researchers, engineers, and skilled workers have had an effect in terms of a high, measurable economic result.

At this point, I would like to deal with the results of some calculations which illustrate what microelectronics means, as compared to the traditional elements of semiconductor technology. These economic calculations for a storage circuit demonstrate that, with the production and application of 64-kilobyte storage circuits, significant economic effects have been produced. One such chip replaces 148,000 traditional elements which contain valuable materials and high labor costs. Economically, it means that 1 million such microelectronic chips replace traditional electronic elements involving an otherwise necessary material expenditure of 16 tonnes of gold, 35,000 tonnes of copper, 15,000 tonnes of lead, 20,000 tonnes of tin, and other valuable materials, as well as 5.6 billion man hours.

Every new generation of microelectronic circuits increases the economic benefit. The production of 1 million units of 256-kilobyte storage circuits, compared with traditional elements, replaces 952 kilotonnes of materials and 22.5 billion man hours. Regarding a 1-megabyte storage circuit, the production of 1 million units means that 3.8 million tonnes of materials and 90.2 billion man hours are replaced. If we wanted to resolve the tasks in the traditional way, we would exceed the scope of our economic possibilities. These comparative calculations demonstrate the great economic significance of the benefit we derive from microelectronics. They put offside all those who were opposed to the expansion of microelectronics.

If we rightly say that microelectronics is the decisive key technology for the GDR, we have to mention some other facts. As early as 1987, the scientific-technological level and the marketability of goods worth M57 billion produced by the metallurgical industry were determined by microelectronics. That corresponds to 44 percent of the metallurgical industry's goods production in 1987. In the sector of electrical engineering/electronics, goods worth more than M32 billion accounted for 67 percent of the production of this important branch. In the machine-tool and manufacturing machinery industry, goods worth about M8 billion accounted for 66 percent of the production of this sector.

A considerable part of products is manufactured by microelectronically controlled machinery. For example, in ore mining, metallurgy, and in the potash sector, it

accounted for 39 percent and covered a production volume of M22 billion in 1987. It is supposed to increase to 44 percent in 1988. According to estimates, taking into account the other industrial branches, in particular the chemical industry, coal and energy, electrical engineering/electronics, and machine building, production worth much more than M100 billion will be achieved.

It is also a fact that in 1975, 75 percent of exports from the electrical engineering/electronics industry to the socialist economic area and 37 percent of exports from this branch to the nonsocialist economic area depended on microelectronics. In the machine-tool and manufacturing machinery industry, it was 74 percent of exports to the socialist economic area, and 75 percent of exports to the nonsocialist economic area.

All these figures on the percentage of products involving microelectronics are rising in 1988 and will continue to rise in the next few years.

It is a fact that already 17.4 percent of labor economies achieved in industry is determined by microelectronics. In the electrical engineering/electronics industry it is more than 20 percent, and in the machine-tool and manufacturing machinery sector it is about 37 percent.

Finally, microelectronics accounted for 7.2 percent—about M550 million—of the cost cuts in industry in 1987. More than 70,000 CAD/CAM work stations in our national economy, as well as more than 90,000 industrial robots that we will have by the end of 1988, contribute to this. Regarding the CAD/CAM systems, it means that some 40,800 workers were gained for other tasks from 1986 to the middle of this year; it also means an increase in the standard operating results of M1.7 billion. The use of industrial robots resulted in saving 23,465 workers and increasing the profits of industry by M863 million in 1978 alone.

An economic analysis of the use of these modern computer and automation technologies shows that, with regard to CAD/CAM technology, it paid off within an average time of 1.2 years in 1987. In 1986, it paid off within a period of 2.1 years. Such short periods of amortization are extremely effective for the GDR's national economy, and it turns out that, as a result of increasing experience and qualification, they have even decreased.

Our task now is to utilize modern computer technologies on a higher level and to use it comprehensively for creative work by introducing new products and qualified software. It is important to raise CAD/CAM technology to the level of engineering work stations. Modern computer technology must be used even more effectively on the basis of the findings of information sciences for the development of which important conditions were created at universities and at the Academy of Sciences.

Robot technology, too, pays off within a short time. In industry, the expenses are covered by cost cuts within an average period of 3.5 years. That also is extremely favorable. Considering the broad range of areas in which these modern rationalization means are used, the importance they have for our economy's efficiency cannot be assessed highly enough.

Thus, the application of microelectronics considerably determines the structure of our production and at the same time the very necessary process of modernization of technological processes. It has become an indispensable factor for the functioning of the intensively expanded reproduction of our national economy. All in all, viewed economically, the large expenditures have paid off within a few years—not to speak of the "starting capital" that has thereby been created for the future. What is more, over 120,000 people, scientists, engineers, workers, are already dealing directly or indirectly with the production of microelectronics. In addition, there are hundreds of thousands of working people whose work is determined by the application of microelectronics products. All these people view their prospects in connection with this promising key technology.

For the GDR, which is a country that is poor in raw materials but which has a developed manufacturing industry, in particular a strong engineering industry and an efficient electrical engineering/electronics sector, microelectronics has become the decisive factor for a further increase in its efficiency. We are thus following an objective tendency, the stormy development of production forces in our time, so as to use them to our advantage in the interest of strengthening socialism. It is, for example, no coincidence that a discussion has started in capitalist industrial countries on the development, production, and application of microelectronics. Not a few countries even make their prospects and their fate conditional on the introduction of microelectronics. Phrases such as "It is a matter of life and death" or "It is priceless" demonstrate how dramatic the controversy is. After all, profits or losses in exports, sovereignty or dependence are at stake, in a word, the chance of endowing capital with the highest possible profit.

We do not have to stress that internationally, microelectronics is being used as a weapon in competition, and of course even much more as a weapon in the class conflict. The recent three- to fivefold increase in prices for microelectronic elements, the introduction of delivery quotas for elements of the latest generation, the drastic extension of delivery times by more than a year only illustrate what is meant by being absent from microelectronics.

In addition, the Western world continues to impose a strict embargo on crucial microelectronic elements that determine the present level of export production, and on the computer and automation technology that is based on it.

All this underlines the correctness of the path on which we have proceeded so far and of the main guidelines and consequences for our work that result from them. The production of the first samples of the 1-megabyte storage circuits by a collective of the Carl Zeiss combine in Jena was a milestone. It brought us a great deal closer to catching up with international standards. However, we know that a lot is still to be done in the future. The television program "The Megaproject or the Reckless Optimists" clearly demonstrated what has been done to achieve such an impressive result in the sphere of science and technology, which is vital for socialism. The broadcast was an example of how our media use their specific possibilities to elucidate in an impressive manner the economic impact and the challenges of the scientific-technological revolution, and an example of how they promote new initiatives in this way.

The guidelines for our work have been established. Having reached new levels in technology, it is now important to attain a qualitatively higher stage of development through the efforts of the Carl Zeiss combine in Jena, the Microelectronics combine in Erfurt, the Robotron combine in Dresden, and of the Electronic Components combine in Teltow, and of combines and enterprises in the metalworking and chemical industry, and in other spheres. It is equally important to produce new generations of high-efficiency computers, automation technology, and consumer goods on the basis of the new circuit generations.

We will increase speed in this sphere by purposefully and vigorously organizing cooperation with the Soviet Union, particularly in the struggle for top positions in the world market in selected spheres, in accordance with the agreements concluded in Moscow which I already mentioned. This will increase our power to accomplish great tasks in mastering modern productive forces in the interest of strengthening socialism.

The struggle in connection with the introduction of microelectronics and their final incorporation into the structure of our national economy involved quite a few problems, as can easily be imagined. First of all, great courage was required to take a decision at a time when the entire impact on socialism of this new direction of development of productive forces was not fully known. There were more than a few who found it difficult to understand the far-reaching significance that modern computer technology, robot technology, and microelectronics would have for the increase in the performance of our national economy.

Second, the insight had to gain ground that specific results and experiences were only possible after the creation of the technological basis. Some—let me put it like this—had to be forced into the new situation. However, today they are grateful, because it is now inconceivable for them that they could have been able to meet the demands for increased performance without microelectronics.

It is certainly no coincidence that those who talk about the "real plan" and less challenging tasks include those who showed little or delayed willingness to make efficient use of the new sources of growth. This made it necessary to discuss this matter thoroughly with the "know-it-alls," because we had decided to consistently continue the course of the unity of economic and social policy, in spite of the changing conditions. However, this was only possible when, on the basis of the advanced results, the experience and the militant spirit of the best, we succeeded in setting standards for the actions of all citizens.

Level and Speed of the Development of Productive Forces Determine the Standing of Socialism and Its Social Possibilities

As you know, I visited combines and enterprises in Erfurt, Soemmerda, and Jena shortly after the 11th SED Congress. The talks there focused on how the resolutions of the 11th SED Congress can be translated into real results with the highest efficiency. I experienced how this became a matter for all communists, for the trade union members, for the FDJ, and for all working people, how both the old and the young adapted to the latest technology and to changed working conditions. This was not the case in other places. For this reason, it was all the more important to make known the achievements of the collectives that played a pioneering role in the courageous and vigorous struggle to introduce the new technologies, and to apply their combative positions on a general level.

The "race against time" did not start long ago. The first attempts have yielded results, and the first pledges have been fulfilled. In a certain sense, they have even become a matter of course. Building on these experiences, we are opening a new chapter in developing the performance of our national economy that is based on the broad application of key technologies and comprehensive rationalization in all spheres.

What happened in Soemmerda? Automated production of special motors for computer technology which were in great demand started. A total of 68 robots were used. Expenditure for rationalization means amounting to M38.5 million paid for itself within a period of 1.1 years. At the same time, production rose from 410,000 units in 1986 to 1 million this year. In 1989, 1.2 million step motors will be manufactured.

This example shows how essential tasks in the supply of subcontractor products can be solved by means of socialist rationalization on the basis of the application of key technologies. Starting from these demanding goals in the development of computer technology, production of the decisive components in sufficient quantity and with high quality is to be ensured by the individual combines on the basis of present and future requirements. This is the guideline for action everywhere. And what happened at

the Carl Zeiss Combine in Jena? The comrades demonstrated the efficiency and high technological level of their equipment for important technological stages in the production of circuits. They made a decision and set themselves the task of aiming for the highest level that could be foreseen at the time and of tackling the development of the 1-megabyte memory circuit. For many, this was a breathtaking venture at the time; today, the circuit has become reality. The collectives rose above themselves in accomplishing strategic tasks aimed at strengthening socialism in the GDR.

We received news from the "Karl Marx" Microelectronics Combine in Erfurt that the collectives have fulfilled their pledges in the development of an efficient and fast 16-byte microprocessor system. Thus, preconditions are being created for placing modern circuits with a high technological level at the disposal of our national economy.

All this is based on militant positions. They were established by the party, put into active practice by qualified leadership activity, and translated into specific results within the shortest possible periods of time. We will continue to proceed along this path with higher new goals in our minds.

Comrades, the level and speed of the development of productive forces determine more than ever before the economic and political position of socialism and its social possibilities. We have to decide on the guidelines that allow us to keep pace at an international level, that represent the highest yeardsticks, and which are decisive for our national economy.

With the production of the 32-byte circuit and the achievements in other spheres we have demonstrated that we are in a position to fulfill challenging tasks, to concentrate our strength on specific projects, to adhere to dates, and to take measures that ensure the fulfillment of the tasks in every sphere of responsibility. This is the most important thing. Personal responsibility for overall management and for the solution of individual tasks has to be determined exactly. It is not general terms and general positions that are involved here, but precisely defined products and technologies. This applies to tasks in the sphere of microelectronics, such as the target of the development of the 4-megabyte circuit, as well as assignments in the field of computer technology. It also applies to automation projects and new, high-quality consumer goods. The level and purposefulness of work must be increased in this sphere. We are fully determined to apply the achievements of modern technology, particularly in consumer goods production.

It has become clear that every success in the development of productive forces was brought about by the greatest possible extent of cooperation between the combines and enterprises and institutions of the Academy of Sciences and the universities. The results of basic and applied research had a direct impact on production. Creative ideas influenced the work of both sides positively. In general, we have gained time. At the same time, social respect for the achievements and the potential of science has further increased in our republic.

Cooperation between science and production has proven to be solid and has become an indispensable basis for further economic and social progress. It is now important to intensify it, to utilize the possibilities that modern science offers even more purposefully and to ensure at the same time that the combines and enterprises are demanding, efficient, and real partners in this process. Directing cooperation toward specific projects, struggling shoulder to shoulder as it were, has proven useful in this connection.

This applies also to the solution of fundamental issues concerning more efficient work in enterprises. Now that automation has been introduced in certain sections of the production process, it is important to proceed to computer-integrated manufacturing in selected spheres in enterprise sections and whole enterprises, to apply the so-called computer-integrated manufacturing solutions. There are good preconditions for this in a number of enterprises which have already gained experience in the application of CAD/CAM technology and in broad rationalization, including flexible automation. Partial solutions are now to be applied at a comprehensive level in selected enterprises. New products for the manufacture of personal computers, industrial computers, and in other fields of computer and automation technology, as well as the results and experiences gained in the in-house production of rationalization means, and in the construction of machine tool and processing machinery are to be taken into consideration. The technical universities in Dresden, Karl-Marx-Stadt, and Magdeburg, and technical colleges, such as the technical college in Ilmenau, provide valuable support by carrying out future-oriented research in the sphere of computer-aided enterprise administration and computer-integrated manufacturing.

Significant experiences have been made in production and science, which allow us to prepare and achieve higher results through fundamental changes in the technological processes and the organization of labor. This was also noted by the international public. It is necessary to build on these experiences and lay the foundations for a higher level of performance in 1990 and the following years, and to make the results visible in the 1989 plan.

The most advanced combines and enterprises have clear ideas about how they want to achieve a considerably higher level of performance in 1990 and the following years, about how they want to ensure the preconditions for a production structure that leads to high economic results, and about how the most modern technologies and the most advanced methods of socialist enterprise management can be combined. This is linked with comprehensive socialist rationalization, in which the improved training of the people assumes particular importance.

This is being practiced in the VEB Mikromat in Dresden of the "Fritz Heckert" Machine Tool Combine in Karl-Marx-Stadt, in the VEB "Karl Liebknecht" Microelectronics in Stahnsdorf of the Microelectronics Combine in Erfurt, in enterprises of the "Werner Lamberz" Polygraph Printing Combine in Leipzig, and other combines and enterprises in the GDR. They are implementing new rationalization solutions and link this with modern methods of socialist enterprise management, and with a higher degree of responsibility of the working people and their collectives. They have set themselves demanding goals in terms of increase in labor productivity and production.

The Housing Program—a Great, Historic Achievement of the Socialist Society

Comrades, when we declared the housing program the core of social policy, we started from the assumption that the interrelations between the daily work of the working people, the educational possibilities of every individual, the organization of one's leisure time, and the housing conditions are of the greatest importance. The positive influence of our housing program can be felt everywhere in the people's lives, in the development of every individual's personality, in the appearance of our cities and villages, and in the beauty of our socialist homeland.

We are implementing the pledges that we have assumed. The old goal of the revolutionary workers movement to solve the housing issue as a social problem will be gradually fulfilled up to 1990. The handing over of the 3 millionth apartment that was constructed after 1971 in the new Berlin city district of Hohenschoenhausen on 12 October 1988 is a milestone in the chronicle of our country. Such far-reaching goals with such sociopolitical impact can only be set and implemented under socialism. We are proud of this.

Over 9 million new apartments have been constructed since 1971. This means apartments for more than half of the GDR's population. Home comfort has considerably increased. A total of 78 percent of the apartments are equipped with bathrooms or showers. In 1970 the proportion was only 39 percent. The percentage of apartments with inside toilets rose from 39 in 1970 to over 71 in 1988.

Besides the new or modernized apartments, a great number of facilities for the community was created. This includes 52,265 classrooms that were built after 1971 in general polytechnical secondary schools, over 419,400 places in kindergartens, over 208,180 places in nurseries, 2,415 gymnasiums, and over 67,300 places in old people's homes and nursing homes. Thus, about 50 percent of the kindergarten places as well as the places in old people's homes and nursing homes, 60 percent of gymnasiums and places in nurseries, and over 43 percent of classrooms were newly constructed after 1971.

In harmony with this, the number of citizens who are working in these newly established institutions for social care, education, and training has considerably increased. Thus, the number of teachers at general polytechnical secondary schools alone have risen by about 30,000 and the number of kindergarten teachers by more than 26,000.

From 1971-87 more than M320 billion was spent on building apartments and communal facilities, on modernizing and preserving housing stock, and on managing the available housing facilities. This is 10 percent of the national income produced over this period. With the housing program we have accomplished an achievement which even in the remote future will give evidence of the fact that under the leadership of our party it was possible to solve the housing question as a social problem.

It is very important for the citizens' life that rents have remained low and stable for more than 40 years. On average, less than 3 percent of the net income of a worker's or employee's household is spent on rent. Two-thirds of the costs for maintenance and management of apartments is paid by the state budget. This sum amounts to a total of almost M61 billion for the period of 1971-88. Thus, a Berlin family, for instance, pays a rent of M103.25 per month for a newly built three-room apartment with district heating and a central hot water supply. The actual expenditure amounts to M312.4. Subsidies for this apartment amount to M209.15 per month, including subsidies for electricity and city gas consumption. We tell critics of the subsidy policy that our subsidies benefit the GDR people and are thus more appropriate than the DM700 million that were given to the Kloeckner Corporation in the FRG and the billions that are used to keep other corporations alive.

The profound change for the better in regard to the outside appearance of our towns and villages, which has been brought about by the housing program, becomes visible in the worthy shaping of Berlin, the capital city of our republic, and in all bezirke. We are linking new construction more and more closely with reconstruction, modernization, and preservation. Already 48 percent of new housing construction takes place in the inner cities. We want to further raise this proportion in the future.

The housing program is a big historic achievement of our socialist society, to which all sectors of our socialist economy are contributing. We are firmly convinced that the construction workers and all working people involved will continue to give their best to reliably fulfill the housing program.

Even greater attention has to be paid to the workers' housing construction cooperatives in all regions, since in them the high sociopolitical effectiveness of housing construction is most closely linked with efficient management. The considerably increased housing fund must

consistently be managed well and used efficiently everywhere. This places great demands on the work of the local councils—demands that have to be mastered in all bezirke, kreise, towns, and villages.

In working on the basic line of the next 5-year plan, we proceed from the premise that after 1990, housing in line with the increasing demands of the people and the national economic possibilities will remain a priority concern of our policy for the benefit of the people.

Only Things That We Work for and Achieve Together Can Be Distributed

Comrades, today the citizens' real income is more than twice as high as in 1970. According to preliminary calculations, a retail trade turnover of about M127 billion is to be expected by the end of this year. In 1970 retail trade turnover amounted to M64.1 billion.

Turnover of industrial goods rose particularly fast. It will reach about 230 percent compared with 1970. What this means for the families and the individual is also reflected in the greater amount of equipment in the households. While in 1970, 56 of 100 households had a refrigerator, today almost all households have one. Ownership of washing machines has risen from 54 to 97 households. In 1970 only 0.2 percent of the households had a color television set. Today one out of two households has one. Equally, one out of two households has a passenger car. In 1970 only 16 of 100 households owned a car.

In the eighties retail trade turnover rose from M100 billion to M127 billion and turnover of industrial goods increased from M49.8 billion to M65.1 billion, that is, by more than 30 percent. Of course, we do not overlook that demand has partly increased even more quickly and that demand frequently outstrips production possibilities. Realism commands us to state frankly that we are naturally not able to fulfill all wishes and to meet every demand.

This will not be possible in the near future, either, at least not during the first stage of socialist development. It is, however, necessary and possible in any case to preserve the things that have been achieved to date and not to let goods for everyday consumption fall victim to the necessary renewal rates. Of course, I am not thinking of meat, butter, and eggs, the consumption of which in our country is one of the highest in the world, but of those goods that were available in the past or that do not meet the increased demand, including pacifiers for babies.

Any future growth involves considerable additional efforts in view of the level already achieved. The necessary expansion often requires more costly investments, modernization and rationalization measures, corresponding subcontractor products, raw materials, and other materials. All this has to be worked for and achieved. At the same time, we also say that we will not be satisfied with this. We consider it absolutely necessary to find economically effective solutions to ensure a greater balance of supply and demand in the future.

A reliable supply of basic consumer goods and of the 1,000 little everyday things to the population is to be ensured everywhere and at all times. This influences the citizens' daily life and belongs to their social security.

The available 1989 draft plan contains demanding targets in consumer goods production for all combines. The goal is to increasingly better meet the rising demand of the population, in particular with regard to high-quality consumer goods. Therefore, it is important that the plan will increase scientific-technological preparation, production, and supply of consumer goods that distinguish themselves by having a high service value, user friendliness, good design, and irreproachable quality.

The plan for the sale of finished goods to the population will be exceeded by more than M1 billion this year. In many combines and enterprises great efforts were made to develop and efficiently produce great numbers of consumer goods that are in high demand. An important contribution to this was made by the bezirk party organizations. In evaluating the discussion with the kreis first secretaries, they fulfilled their pledges for additional consumer goods production.

Thus, by the end of this October high growth rates were achieved—compared with 1987—in the production of the following important products: color television sets to 112.2 percent; hot water boilers for gaseous fuels to 107.8 percent; electric stoves to 107.7 percent; motorcycles above 50 cubic centimeters to 106.5 percent; bicycles to 106 percent; gas heaters to 105.4 percent; furniture and upholstered goods to 105.6 percent; tulle fabrics and curtains to 105.2 percent; girls' outerwear to 123.6 percent; boys' outerwear to 118.3 percent; baby clothes to 109 percent; training clothes to 106.4 percent; shoes to 106.1 percent; and toys to 105.1 percent.

High growth rates were also reached in numerous positions in the production of essential and nonessential foods and beverages: sterile canned fruit to 141.4 percent; sterile canned vegetables to 107.1 percent; animal fats to 106.9 percent; pasta to 106.7 percent; and fat cheese to 104.8 percent.

The generally good supply is being hampered by production and contractual backlogs compared with the plan and by some complaints about quality. Of the 205 positions of the state supply plan, 95 were not completely fulfilled by the end of October. We were again forced to import a considerable amount of goods and to use a considerable amount of foreign currency for this.

The absence of important goods from the shops not only angers the customers but also diminishes the mobilizing effect of our course of the main task. The citizens rightly expect production and trade to make decisions at the right time so as to prevent disruptions of planned supply.

We deliberately chose the production of finished goods for the population as one of the four main targets for the comparative performance appraisal of combines and enterprises. This stresses the political importance of both this national economic task and of the daily work to fulfill it. It is not a question of general target but of specific goods the production of which has to be organized on the basis of the plan and the balance sheets.

The ministers, directors general, and the enterprise managers should thoroughly analyze the reasons for lagging behind in individual plan positions, and should take effective measures for efficient consumer goods production. Promises and declarations of intent are of little use. The most important reaction can only be to organize greater achievements on one's own part within the plan, to fulfill the supply tasks anchored in it every day, in line with the required quantity, ranges, and quality, and to make deliveries punctually on the dates set down in the contracts. Continuous production and the rhythm of deliveries to trade, which is necessary for supply, are to be reliably ensured. At the same time, further bases are to be established with a view to the year 2000, so that the key technologies can be utilized for consumer goods production to a considerably greater extent. This particularly applies to the application of microelectronics.

We do not let ourselves be diverted from our firm position with regard to things that directly affect the everyday life of all families—reliable supply of basic goods, essential foodstuffs, other basic consumer goods, products for children, and of the 1,000 little things. In view of the considerably increased income and the varied sociopolitical measures, demands have also risen considerably. Again and again, there must be a guarantee that the daily basic supply works reliably. In many places this requires further-reaching measures to develop the capacity of production and the organization of trade with regard to bread, pastry, meat products, dairy products, fruit, and vegetables. To reduce things to a common denominator: more domestic production of fresh goods in the kreis, fewer requests put upon others.

Cooperation between production and trade has to be further deepened in the interest of the citizens. For this purpose, the measures decided to perfect management, planning, and economic cost accounting have to be used better. This will make it possible to make supply highly efficient, to adjust production even better to the clients' wishes, and to ensure supply in line with the clients' demands in the department stores and shops with the planned commodity funds.

When we talk about priority tasks to improve supply, this also involves the development of varied, differentiated forms of cooperation, a new level of comradely cooperation between trade, industry, agriculture, and all those involved in supply, and rationalization of the entire chain of supply up to the shop counter. Examples are the new kinds of cooperation relations between the Centrum and Konsument department stores and an increasing number of combines and enterprises, and between specialized shops and local enterprises. This now taps expanded possibilities for more flexible reactions to demand, for more constructive cooperation between production and trade in developing and introducing new products, up to their sale and the corresponding services.

In this respect, it is decisive that all parties involved be rationalized in a coordinated way and avoid any parallel actions. This also gives increasing importance to the aspect—which is very important for the future performance development—of widespread application of electronic data processing in trade and production, of optimizing the flow of goods and information, and of organizing orders and deliveries. In this connection, remarkable international experiences should be utilized to a greater extent.

The flow of goods should be analyzed according to the principle of what is more advantageous for the clients and more effective for the national economy, with the goal of generally accelerating the process of getting the goods from production to the shops, making it more flexible, and shortening the way the goods have to travel, thus also raising the reliability of goods supply. This necessitates appropriate steps both in planning and with regard to contractual relations, economic rules, and material stimulation.

Management of one's own material and financial means has to become even more efficient. Trade losses must be decisively reduced further. More than ever before, it is a matter of every shop assistant's honor to work carefully with the goods and to offer them to the client in the best possible way. The good experiences of the Peasants' Trade Cooperatives and the Consumer Cooperatives also have to be utilized more intensively in other areas of trade.

The opening times of shops should be increasingly better adjusted to the work and shift rhythm in towns and villages. Time-saving shopping opportunities, counseling services, and services in general are becoming more and more important.

With the Law on Local Elected Assemblies we have a solid basis for local policy that is close to the citizens and, at the same time, we have a long-term guideline for solving corresponding tasks in one's own sphere of responsibility with regard to supply, trade, services, production of fresh goods, and local consumer goods

production in general. This links individual responsibility more closely with democratic self-determination with regard to those questions that belong to the citizens' everyday life and can be solved competently and better on site. In every bezirk and kreis a uniform concept of performance development in trade for the 1990's should be worked out under the responsibility of the local councils.

The work of cooperative and private craftsmen, private retail traders, and restaurant owners is of great importance to the national economy. They essentially contribute to having a good supply for the population and the well-being of the citizens. Performance in the crafts has increased by more then 60 percent compared with 1970. Services and repairs for the population increased with particular speed. These sectors rose to 2.8 times the original amount during the same period. Thus, the crafts provide more than two-thirds of the entire repairs and services.

In line with the decisions of the 11th SED Congress and our tested alliance policy, important promotion measures have come into effect over the past few years. They have the goal of raising performance in the interest of the people. In the future, too, the craftsmen, retail traders, and restaurant owners have a firm place and secure prospects in our socialist society. Stable consumer prices for basic consumer goods, rents, rates, and services are a firm part of our party's economic and social policy. They belong to the climate of social security and protection of the citizens of our country. We use increasing financial means for basic consumer goods, charges, and services. While in 1971 subsidies amounted to about M8.5 billion, last year they reached M49.3 billion. In addition there are the above-mentioned M61 billion to ensure low and stable rents.

As before, our policy includes setting prices for new and high-quality products in such a way that—in general—they cover costs and yield the profit necessary for the enterprise and for society. Everyone will understand that it is not possible to greatly subsidize the prices for considerably new and high-quality goods. This would logically lead to the fact that other sociopolitical measures can no longer be implemented or that the accumulation which we need to increase the economic capacity in order to successfully continue the unity of economic and social policy is reduced. It should not be forgotten for a single moment that only the things that we work for and achieve together can be distributed.

Not only the results in the field of housing construction but also in the field of supplies to the population and in maintaining stable prices for basic consumer goods, rents, charges, and services are an enormous achievement of real socialism in the interest of the people.

Our Planned Economy That Has Proved Its Worth in Life Is Worlds Apart From the Capitalist Mismanagement

Comrades, the Politburo has set down measures to further perfect the work of the combines. They generalize basic experiences in implementing the decisions of the 11th SED Congress for the further perfection of the system of our socialist planned economy and are aimed at further raising the economic responsibility of the combines and enterprises.

Immediately after the party congress the testing of the principle of self-financing intensively expanded reproduction was started in 16 combines. The starting point is that the plan and self-financing, that central state management and national economic responsibility of the combines form a unit.

The decisions of the 11th SED Congress have laid down our party's fundamental standpoint on the further development of the system of management and planning of our national economy. The basic economic processes firmly remain in the hands of the state. It is the task of central state management and planning to guarantee that work is directed toward a common goal everywhere. The interests of the entire society are bindingly expressed in the 5-year plan and in the annual national economic and state budget plans.

At the same time, the necessity was stressed to link central state management and planning ever more effectively with the creative activities of the working people and the work of the combines, enterprises, cooperatives, and local state organs in their own spheres of responsibility. The initiative of everyone—of the collectives and the individuals—is to be aimed as much as possible at fulfilling those tasks that are necessary for the national economic development in large and small matters. We consider the socialist competition, the comprehensive plan discussion, the widespread application of tested methods in socialist economic management, and exact comparative performance appraisals indispensable parts of this participation. Press, radio, and television are important stages for the plan discussion because they convey many valuable experiences of the working people in the struggle for high achievements in the socialist competition and thus contribute to their widespread social utilization.

In the spirit of the continuity of our policy, we proceed from the fact that the system of socialist planned economy in the GDR has stood its test. With it it has been and is possible to master the continued performance growth in the national economy and the rising standard of living without crises, unemployment, and social upheavals. This is a historical achievement, whose importance will still increase in the future. At the same time, this system of socialist planned economy is flexible and can be developed further. We take into consideration two necessities in this respect.

First, there is the concentration of decisive national economic forces and means so as to reach top-level achievements and to apply them in selected economic areas. Second, there is the improved mastering of the increasingly complicated internal interlacings of the national economy. At the same time we take into account—and we have never hidden this—that socialist production is the production of goods. In it there are objective categories of values, such as price, profit, costs, loans, and interest, and it is important to use these according to plan in the interest of all of society. The same has to be said about the fact that the exchange of products takes place as the exchange of goods. Consequently, the market and the corresponding contractual economic relations constitute an objective category in our socialist planned economy.

All this is by no means something new. Our enterprises have always had contractual relations with each other and with their clients or contractors, have thus conducted the purchase and sale of goods, and have had to take into account supply and demand in the specific planning of product ranges and delivery dates. However, it is and remains a fact that this is not a market of private capitalist producers, which serves profit making. The nature of socialism and thus of its economy is not characterized by the existence of a market but by social ownership and its use and augmentation according to plan so as to ensure full employment and social security—in short, the unity of economic and social policy. Therefore, our socialist planned economy and capitalist market economy are worlds apart.

Comprehensive Application of the Principle of Self-Financing Promotes the Combines' Struggle for High Economic Results

We do not have an uneasy relationship with the existence of goods, value, money, costs, price, and profit. On the contrary, the unity of economic and social policy demands exact economical calculation everywhere and a dedicated struggle to improve the relationship of input and result. What is used must first be gained. What has been gained is reflected in the material assets and in the corresponding financial means. By reducing costs and improving the input-output ratio, everyone basically decides at his work place every day on the degree to which our national economy is supplied with means to reach the targets in the economic and sociopolitical field.

Therefore, we are interested in having the combines and their enterprises work economically and make a profit. This applies to all areas of the national economy. Profit is the source of accumulation, of ensuring further social progress, including subsidies that we use for our sociopolitical goals according to plan.

The fact that our combines and enterprises are working economically and make more and more profit every year is evidence of the health and strength of our socialist national economy. This is in all of our interests. Therefore, economic cost accounting is being gradually further shaped in a way so that the combines are getting interested in increasing profits gained through their own high performances by more comprehensively applying the principle of self-financing by means of long-term norm targets. They accept their own national economic responsibility for their intensively expanded reproduction by seeing every day—with the help of comparing the means used with the result achieved—how their capacity will develop tomorrow.

Every director general, every director of an enterprise now feels even more strongly that he cannot simply request means from the state but is responsible himself for the means that are available for the development of the combine and for how they can be used with the greatest possible economic benefit. Economical calculation on the basis of the plan targets will determine management work at all levels to a considerably greater degree in the future.

The comprehensive use of self-financing poses higher demands on the work of the State Planning Commission and of every single ministry with regard to working out the state plans and the national economic correlated targeting. It is necessary that they increasingly better live up to their responsibility in planning, with regard to the basic tasks of the party's economic strategy in their complex interrelations, linked with the resulting requirements for the present and future.

Self-financing also requires further improvement of work with industrial prices. A great number of basic requirements concerning the economic work of the socialist state come together in the prices. With the help of the industrial prices it is necessary to promote even more effectively production in line with demand concerning quantity, range, and quality. This includes the necessity that these prices correspond to the socially necessary input and exert tangible pressure on reducing costs.

As experience shows, the best results in the struggle for low costs are achieved if they are made visible in those places where they can be directly influenced by the designing engineers and technicians, skilled workers, and master craftsmen. This, on the other hand, is emphasized by the performances that have been achieved this year in socialist competition for the overall fulfillment of the plan.

Many things that influence input and results in enterprises and combines, have now become more visible through the perfecting of management, planning, and economic cost accounting, and can thus be influenced by the working people. However, it has also become obvious that costs contain some items of expenditures that do not have anything to do with the prime cost of goods

production. These include unnecessarily high entertainment expenses, donations to social organizations, excessive payments for sessions, conferences, and gifts for hosts. Let me remind you in this connection, that it is part of our socialist democracy to publicly account for the cultural and social fund and its use in the enterprises. Much can be achieved by restricting events to a reasonable number and by not holding them—in line with the legal stipulations—during worktime.

This is directed at the sense of responsibility of every manager in state and economy to carefully and economically deal with the assets achieved through the working people's work. This will also make it possible to find material and financial means to put some things in order that have to be put in order. The Council of Ministers has been ordered to make all necessary arrangements so that legal stipulations are observed and clearly and unambigously phrased. It fully corresponds to the unity of economic and social-policy to pay greater attention to such unshakable principles of economic management of the socialist states, as the reduction of costs, the rationalization and simplification of administrative work, and the strict implementation of the thrift principle. Millions of working people know about this and act accordingly. Among them are the 19,000 collectives with 340,000 working people who are struggling for flawless production. Among them are also the rationalizers and inventors, the innovators and many others, who are doing their best in socialist competition.

We Do Not Only Speak About Democracy—We Are Shaping It on the Basis of Socialism

Sometimes we come upon the view that one can draw on unlimited resources and can be generous with the people's property. This is a misinterpretation of the character of our socialist society. Here thrift is not a poor man's principle, not a virtue born out of need, but a fundamental requirement of increasing social prosperity and personal income. Every manager in the state, the economy, and in all social areas, every individual is called upon to work most economically and effectively with every pfennig, every gram of material, and with the valuable worktime. In order to make more out of the available resources for the benefit of the people, one should put the finger on every item and should check on how social property is being preserved, utilized, and increased. This also includes the observance of technological discipline and the prevention of damage to buildings, facilities, and equipment. All this belongs to the great responsibility of a citizen.

It is necessary to raise socialist economic management to a higher level by using modern computer technology in all combines. In accordance with the principles of self-financing, this is to establish conditions to considerably shorten the time needed for the entire reproduction process—from the client's order to the forwarding of the products. This also makes it possible to reduce material stocks and to make the reproduction process as a whole more effective in all its stages. A higher level of socialist economic management also requires paying more attention to topical computer-aided cost accounting and to pre- and postcalculation in management work. Modern socialist economic management creates even better conditions for the working people's broader democratic participation in management and planning.

At the same time, this requires the even better direct integration of the working people's collectives in the plan discussion and in the process of management and planning in general. This is socialist democracy in the truest sense of the word. We do not only speak about democracy, we are shaping it on the basis of socialism. In the accountability reports on the enterprise collective contract, which are an indispensable part of the working people's democratic participation in management and planning of our national economy and of each of its enterprises, the question of what the individual enterprise is achieving for the national economy and for its own development and of how this can be done even better must play a greater role.

The fact that the trade unions are partners in socialist management work has proved its worth—they are active and constructive partners, who themselves submit proposals to increase performance and, at the same time, comprehensively represent the interests of the working people, including the improvement of working and living conditions. We will further expand this constructive interrelationship between management work and trade union work in the enterprises.

Life shows that the trade unions are actively participating in the exercise of power on the basis of socialism. Their word is important in our state, their proposals are implemented and contribute to shaping the developed socialist society. Never before in history have the trade unions had such authority and such a great reputation, which is also reflected internationally, because they are linked with a policy that knows only one goal—the welfare of the people.

In our country socialist democracy does not stop at the enterprise gate, but just there, in the sphere of work, it is getting its strongest stimuli. This decade-long, tested practice has enabled the working people to truly develop into the masters of the state-owned enterprises. Nothing happens without their active participation in preparing and fulfilling the tasks. The leadership of the socialist competition, which is organized by the trade unions, is a living example of this. Accepting pledges to purposefully overfulfill the plan is an expression of the creative way of dealing with requirements and reserves. Thus, we do not need to hand over our state-owned enterprises to the working people for a second time, they already have them. We will, however, use all opportunities to an even greater extent to make the principle of that which is of benefit to the national economy, must also be of benefit to the enterprise and its collectives, even more tangible.

A New Stage of Our Scientific-Technological and Economic Cooperation With the USSR

Comrades, in implementing our economic strategy we proceed from the premise that the USSR is and remains our main partner. With the decisions of our 11th SED Congress on the economic strategy we have the necessary preconditions to live up in the short term and to a high degree to the new directions of development set down for the USSR by the 27th CPSU Congress.

The national economic and scientific-technological capacity contributed by our republic to this cooperation was impressively proved by the GDR's exhibition in Moscow, which also met with a great international echo. It reflected the great number of possibilities to safeguard world standards in the key areas of science, technology, and production for mutual benefit. This exhibition became a demonstration of the achievements of our republic's working people under the leadership of the SED in shaping the socialist society. This policy is supported by all parties and mass organizations in the GDR, which are united in the National Front.

Widespread application and economic use of high technologies, in particular of modern microelectronics and computer technology, increasingly characterize our cooperation with the Soviet Union. This is of the utmost significance for the present and the future. As the GDR's exhibition in Moscow showed, the speedy development of the productive forces and of the sciences requires in future greater dynamism and flexibility in international cooperation, linked with comprehensive intensification of the joint research activities. Therefore, we have proposed to establish joint development and technology collectives of the GDR and the USSR for the key technologies, in particular microelectronics, which will be given specific, short-term assignments. This will contribute to making progress more quickly and to working more efficiently.

My meeting with Mikhail Gorbachev and our exhibition in Moscow marked—also in the view of our Soviet partners—a new stage of cooperation between our national economies. The Politburo has set up stipulations to purposefully put into practice the agreements concluded. In this connection, the development and application of top-level achievements, the deepening of cooperation relations, and the increase of mutual goods exchange are in the foreground. We attach great importance to the further effective development of direct relations in research and production between the GDR combines and enterprises and their partners in the USSR. The directors general of the combines bear great responsibility for this.

Stable foundations for the further deepening of our cooperation with the USSR and with the other CEMA member states are to be established primarily through the coordination of the 1991-95 national economic plans by taking into consideration the increasing tasks in the current stage of the building of socialism and the developing new economic conditions. The Politburo has dealt with these issues and has made the necessary decisions. They are aimed at the timely start of plan coordination and at an active position of the GDR, in particular in the interest of safeguarding the vital raw material imports from the USSR.

It is envisaged to include from the very beginning combines and foreign trade enterprises and the responsible ministries in the coordination of plans. This poses higher demands on the State Planning Commissions' managing of the entire process so as to ensure the development of our economic relations on the basis of balance and correlated targeting also in the future.

It is an important task of our comrades at all levels of the national economy to constantly pay attention to the changes in management and planning of the national economy in the USSR and in the other CEMA countries. It is necessary to adjust our economic relations to new conditions in time. The State Planning Commission, the ministers, and the directors general of the combines have to take all measures to work out attractive offers for exports in line with the specific demands of the corresponding countries. The yardstick that is decisive for the GDR is high efficiency and the necessary increase in national income.

Our Modern Socialist Economy—A Firm Part of the National Economy

Comrades, the agricultural policy integrated in our social strategy is increasingly determining life in the villages. The active work of the LPG's, state-owned farms, the Peasants' Mutual Aid Association with its peasants' trade cooperatives, the cooperative construction sector, the development of self-financing, the close connection between agriculture and the foodstuffs industry— all this means socialist agriculture in the colors of our Republic.

Under the leadership of the party, the cooperative peasants and workers of agriculture, forestry, and the foodstuffs industry are making great efforts to implement the decisions of the 11th SED Congress and the 13th Peasants' Congress in Schwerin. The cooperatives and enterprises widely support our party's policy and work with initiatives and optimism on fulfilling the tasks that are not always simple.

In the second half of the eighties, too, the yields in crop production continued to increase. Even in 1988, when weather conditions caused losses in many respects, a yield of about 10 million tonnes of grain did not undercut the level achieved since 1982.

The development of self-administration in agriculture must not be left to itself, however. In the future, too, control and help by the state and the society will remain a big support for the initiative of the peasants and for correcting wrong developments, to which LPG's are as

little invulnerable as consumer and artisans' cooperatives. Our modern socialist agriculture is a firm part of the national economy. In case of bad harvest, agriculture depends on support by the state and the society—not only in our country but also in the capitalist countries. Our peasants have often expressed their thanks for this aid. However, this does not prevent us from promoting in every respect cooperatives on the basis of self-administration and thus self-financing.

This year the grain harvest has remained below the plan targets with 1.4 million tonnes. With a yield of 2.6 million tonnes, sugar beets have suffered considerable losses. Procurement of the entire crop production is 2.8 million tonnes in grain equivalent units less than envisaged by the plan.

Thus, the contribution of agriculture and forestry to the national income will be about 8 percent under that of last year. With regard to industrial processing, there are also losses in the sugar industry and in the production of fodder yeast, rectified gasoline, and carbonic acid amounting to a total of about M750 million of industrial goods production.

In addition, the rhythm of breeding and sale of poultry, for instance, has to be observed in time so that there are no unjustifiable losses. This was recently demonstrated by the fact that 1.9 million units of poultry were not sold. In order to prevent this piling up of poultry, illegal measures were partly used and 100,000 chickens were killed. This is unacceptable, and the Public Prosecutor's Office has correctly intervened.

There are regional differences with regard to the losses in yield in the various bezirks of the GDR. Decisions were made in time in the interest of food supply to the population. Additional imports from the nonsocialist economic area, amounting to 500 million valuta marks, were made to supply fodder to the livestock.

Supply is being ensured in a stable way. A positive effect is exerted in particular by the lead in state procurement of 54,000 tonnes with regard to slaughter animals, of 120,000 tonnes with regard to milk, and of 183 million units with regard to eggs as of 31 October 1988. Procurement of vegetables rose by 70,000 tonnes compared with last year, which, however, has not fully satisfied demand.

In a broad democratic discussion with the work collectives, the high performance targets from the state tasks of the 1989 national economic plan are now being turned into accountable programs for the socialist competition, and pledges to overfulfill the plan targets are being accepted. Comparative performance appraisals are proving their worth in revealing reserves. Competition centers on high yields and performances and on an increasing contribution to the national income.

In the discussion on the 1989 national economic plan, the results of crop production were subjected to a critical analysis in the LPG's, state-owned farms, and their cooperation councils, because it has been shown that the differences are still great even under comparable conditions. In 1988, too, 39 LPG's and state-owned farms have harvested more than 60 decitonnes of grain per hectare. In the various production locations the differences in yield sometimes amount up to 10 decitonnes per hectare under comparable conditions. The Academy of Agricultural Sciences, together with experienced practical workers, has conducted maximum-yield experiments, in which the agrotechnical measures were implemented optimally. They have resulted in relatively high yields even under the 1988 drought. We are of the opinion that the conclusions drawn from the analyses and comparative performance appraisals should be integrated into work everywhere.

In comprehensive intensification the qualitative factors must be the ones that have a major effect and must lead to higher results in the use of assets. The measures to raise soil fertility, observance of the agrotechnical dates, and quality have a key position in this respect. Equally important is the management of crop stocks, which is based on scientific norm targets and on the enterprise's own exact analyses and measurements of the yield-promoting factors. Water regulation, in particular irrigation, continues to play an important role under our soil conditions and climate. All this requires dedicated and qualified work in order to raise yields and performances through even better application of science and technology and to make the input-output ratio more favorable.

The analysis of the grain harvest results, with which the Politburo has dealt, shows this clearly. All leaderships of the basic organizations of the LPG's, horticultural production cooperatives, and state-owned farms, and the kreis and bezirk leaderships should draw further lessons and should integrate corresponding measures in the 1989 competition programs so that an average yield of 50 decitonne grain equivalent units per hectare can be reached in crop production in general. The considerable decline of sugar beet production in 1988 requires special analysis. The Ministry of Agriculture, Forestry, and Foodstuffs Industry has been ordered to draw conclusions from this and to present them to the Council of Ministers.

In the great majority of the LPG's and state-owned farms, and also in the other agricultural enterprises, which have influence on yield and performance development, there are optimistic, militant positions today for the further implementation of the decisions of the 11th SED congress and the 13th Peasants' Congress. The cooperative peasants and workers are aware of their responsibility to further maintain and qualitatively improve the high level of foodstuffs supply achieved in the GDR over the past 40 years. Fulfilling the 1988 plan and overfulfilling it wherever possible and implementing the 1989 plan are posing great demands in this respect.

Now everything has to be done to ensure fodder supply to the livestock until the next harvest by resorting to mutual aid and by using all fodder reserves. More than ever before the work collectives and leadership cadres of the livestock and crop production are called upon to ensure the economical, strictly performance-related use of fodder everywhere. This also applies to the purposeful preparation of an early fresh-fodder period in spring 1989.

The reproduction of livestock according to plan, in particular of the stock of mother animals, is to be carefully organized. The work capacity of the entire cooperation of LPG's and state-owned farms in crop and livestock production should be used in order to ensure—through conscientious preparation for the winter and careful tending of the animals and keeping them healthy, in particular over the next weeks and months—that the animals' capacity is tapped to its maximum, that high breeding results are ensured, and that losses are further reduced.

This also applies to the processing and higher refinement of animal raw materials in the foodstuffs industry. In this area, the strength of the cooperative associations should prove its worth for a stable supply in particular at present. The agricultural products are also to be purchased in such a way that the continuity of primary production and the quality of the products are maintained and that there are no losses or additional expenditures.

All bezirke have to work even more energetically on solving these questions. For this purpose, regional reserves are to be tapped to rationalize processing and to safeguard stable work capacity for higher shift-work utilization of the facilities. The planned investments for the modernization of the meat and cooling industry have to be implemented without any cutbacks.

The increasing demand for vegetables and fruit requires a speedy growth of yield, increasing quality, and wider ranges. Particular attention is to be paid to the increase in production of vegetables in greenhouses and on open land during the first half of 1989. At the same time, marketing and canning are playing a greater role. For this purpose, further preconditions have to be established to fully exploit the favorable natural and economic locations and to prudently utilize the effective opportunities for self-supply in the region.

The Union of Small Gardeners, Settlers, and Small Livestock Breeders has a firm place in the life of our republic. At its sixth congress in April 1988 its societal and social work was impressively demonstrated, and the performances of its members to supply the population with such important products as fruit, vegetables, honey, meat, and eggs were highly praised. We will continue to actively promote and support the union's work.

Being aware of their responsibility, the working people in forestry are working on measures for the reproduction of forests, for their protection, and their cleanliness. The Politburo stresses the task to achieve a higher performance growth in the supply and, above all, the processing of rough timber, in particular of thin timber. For this purpose, all regional and central possibilities have to be tapped.

The steady shaping of the alliance of the workers class with the class of the cooperative peasants has a great influence on how it is possible to continuously improve food for the population both in quantity and quality and how progress is made in the intensification of agricultural production. Above all, the cooperative peasants consider it their first alliance duty to ensure the standard of living in the GDR also by means of a varied range of high-quality foodstuffs.

Today we can note that the alliance has been further consolidated through the political leadership of the party and the shaping of stable, performance-promoting economic relations. The trusting relationship of the cooperative peasants and workers of agriculture with the party and the government has been deepened. The fundamental decisions to perfect management, planning, and economic cost accounting, to shape the cooperation relations between the LPG's and state-owned farms of crop and livestock production, and for agricultural pricing reform, including the economic measures and their further development in 1986 and 1987 have contributed to this. The same effect has been exerted by the stipulations to ensure material interests in high production and high results in the LPG's, state-owned farms, and their cooperative institutions.

Proceeding from these experiences, it is necessary to take all steps so as to implement the decisions of the 13th GDR Peasants' Congress. The participation of all organizations working in the villages characterizes the vitality of our alliance relations and is the reason of the success of our agricultural policy. In the future, too, it will be aimed at ensuring expanded reproduction of cooperative property and at stimulating even more effectively good management in cooperatives and enterprises. In shaping the alliance with the class of the cooperative peasants, we always keep in mind to guarantee and further develop the supply of producer goods from industry necessary for agriculture. The machinery envisaged by the plan is mostly provided in line with demand. This also applies to the supply of 8.6 percent more nitrogenous fertilizer and 21.2 percent more lime. The grain-producing area treated with fungizides has reached 2.2 million hectares since 1983, when the use of fungizides according to plan began.

By the end of 1987 socialist agriculture already had technical basic assets valuing more than M70 billion. Over the past 4 years, the stock of tractors was raised by 11,549 units, that of trucks by 2,922 units, that of

combine harvesters by 2,950, and that of exact choppers [Exakthaecksler] by 1,368 units in socialist agriculture, forestry, and the foodstuffs industry.

The Central Committee Secretariat confirmed measures to develop performance in agricultural aviation and the concept of its prospects after 1990.

Agricultural aviation has become a firm, indispensable part of crop production intensification and of forest protection. The responsible ministries and combines are called upon to create further necessary solutions by means of the national economic plans. This also applies to the still unsolved problems with regard to certain spare parts.

The economic sense and professional honor of the cooperative peasants and workers demand their efficient dealing with the available resources and their economical use of the assets. Buildings and machinery are to be preserved and maintained conscientiously. Leadership, socialist economic management, and socialist competition are to be directed toward a high level of maintenance, service, assignment and conservation, as well as repair of machinery, instruments, and equipment in high industrial culture. For this purpose, agriculture has its own facilities in agrotechnology and agricultural construction, whose contribution to the intensification of crop and livestock production must grow more quickly. In this field, the labor productivity of all people involved in fulfilling this task must rise more quickly.

At the recent conference of the sector of agrotechnical advance achievements, which was held by the Central Committee, the further implementation of the decisions of the 11th SED Congress in this field were discussed. The conclusions should be drawn in the agrotechnical combines and kreis enterprises and also in the LPG's and state-owned farms and should be checked by the party leaderships.

In shaping the developed socialist society, cooperative ownership and the class of cooperative peasants have a secure perspective. Agricultural production cooperatives and cooperative relations allow the continuation of the process of intensification, more efficient use of funds, and even a more efficient combination of science and production. Fundamental changes in the working and living conditions, villages that are more and more beautifully designed, as well as the development of the intellectual-cultural life are being influenced by the development of this socialist society.

The history of the GDR shows that the LPG's and their cooperative facilities provide all the conditions for cooperative peasants to personally participate actively and constructively in this process. We consider cooperative democracy an element of life which deeply affects the further political and economical strengthening of the LPG's, which together with our state-owned farms constitute the basic units of socialist production.

According to our experiences in the GDR, the cooperatives offer the best prerequisites and the adequate social context for peasants to remain peasants. Within the LPG's the peasant is firmly connected to his soil, because it is his property which was not nationalized in the GDR. With his property, the peasant contributes to the LPG so that he can benefit from its collective cultivation. This benefit is reflected in the amount of remuneration as well as in the allowance of natural produce and shares in the land. Energy, initiative, diligence, wise calculation, a sense of responsibility, and other virtues that have always characterized the image of the good peasant will continue to determine the velocity within the cooperative in which rural work will be made easier, living conditions in the villages be made more pleasant, and in which the personal standard of living will increase. Together with all forces of society, the Peasant Mutual Aid Association, the political mass organization of the peasants, contributes more and more efficiently to shaping relations between the cooperative peasants, their LPG's, and their villages.

Thus, the agricultural production cooperatives proved to be well suited to secure harmony between personal, collective, and social interests. In the conscience of our peasants, cooperative work and management have long since become the only conceivable form of the existence of peasants. This is even truer when cooperative labor works well, which means nothing other than that all regulations that are laid down in the LPG's statute and internal rules, especially the rights and duties of the members, are always respected and conscientiously fulfilled by all individual members.

As we all know, good cooperative management does not work without the necessary effort. It requires resourceful acting. Considering the increasing influence of science and technology in the production process as well as of computer-aided work, what particularly matters today is to determine the sphere of activity and the responsibility of each cooperative peasant and of each work collective in a new way.

Therefore, the party organizations of the LPG's and state-owned farms should pay particular attention to the development of the people's personalities, promote their qualifications, their sense of responsibility, and initiative, as well as create the prerequisites that they can continuously enhance their share in the overall results of the cooperative and enterprise. The "Schools of Cooperative Labor" can increase each party organization's effect on the masses in this respect. The Central Committee Secretariat has given the necessary guideline and confirmed the topics for the rounds of political talks.

Further Develop the Quality of the Time-Tested Relations Between Science and Production

Comrades, the party's program and its decisions on the policy of science and universities clearly point out the necessity of a complex approach to science and education on an interdisciplinary level and directed far into to

the future. The Academy of Sciences of the GDR, the universities, higher secondary schools and technical colleges, as well as other scientific institutions are undergoing changes in this sense which are directed at a new quality in linking the advantages of socialism with the achievements of the scientific-technological revolution. This fully corresponds to the challenges of the 11th SED Congress to guarantee high social and national economic efficiency of sciences in the long run by considerably closer interlinking science, education, and production.

The scientists and students fully back this basic orientation. This is reflected by various initiatives aimed at using better the existing opportunities, as well as by high performance. By common efforts in cooperation in science and production, significant results have been achieved, including results with which imperialist embargos were broken.

Rapid and intensive changes are also taking place now in the system of science and in its social standing. Often science itself becomes the decisive source of far-reaching social changes. That holds particularly true for efficient, investigative basic research on a high level, and for this the Academy of Sciences and universities hold particular responsibility. Basic research has yielded a number of first-rate scientific results in the fields of mathematics, science, and technology. Only on the basis of such research is it possible to grasp and analyze the increasing international fund of scientific findings, to open it up for scientific-technological progress in our country, and to produce our own basic research results. These are the bases of economically productive innovation processes in production and give a significant impetus to scientific creativity and to the strengthening of the Marxist - Leninist ideology.

Proceeding from a critical analysis of the situation, as compared to the highest international level, it is time to work out prognostic orientations regarding breakthrough points in basic research. This also includes suitable ways of improving the effectiveness of management, planning, and stimulation as well as the purposeful promotion of talented young scientists and top internationally recognized experts.

The idea that we sometimes come across that a high economic standard can be maintained in the long run, if we only use the top international standard cleverly, without taking part in risky and expensive efforts for expanding it, is an illusion. It has also been disproved by international experience. Therefore, it is absolutely necessary to overcome any tendencies of self-sufficiency in the field of basic research and any wait-and-see attitudes regarding the broad application of its results.

The well-tried relations between science and production must be developed further, above all qualitatively. In ensuring the research and educational target in a process that is based on division of labor, science and production each bear their specific responsibility which ultimately results in cooperation that is aimed at high social and economic efficiency.

Reserves lie in particular in consistently orienting scientific-technological work toward achieving technical and technological breakthroughs toward top international standards in the development and application of key technologies in accordance with the economic requirements and possibilities—technologies that produce maximum economic results for a long-term stable increase in our economic output.

These are decisive premises by which research cooperation between the combines and the institutions of the Academy of Sciences and universities should be organized in an even higher quality.

It is particularly important to define and promote such complex projects as are of far-reaching importance for the implementation of our economic strategy and equally break new scientific ground. From this also grows the necessity of an even more effective national and international research cooperation which strongly stimulates the concentration of top cadres and top technologies on selective crucial points of research and teaching. On this path, good experiences have been made with clear, contractually regulated economic relations between scientific institutions and combines, and it should be continued with the goal of achieving higher results.

The Dialectics of Continuity and Renewal, and the Tasks of Social Sciences

We always measure the value of sociological work by the way it contributes to further shaping the developed socialist society in the GDR, and to enhancing the international appeal of socialism. While we can rightly start from the premise that our concept of the developed socialist society has proved successful, we are also aware that it has not yet been concluded. According to the dialectics of the continuity and renewal of our development, it must be constantly enriched and developed further in a creative way, so that we can recognize new problems in time and solve them successfully. That represents the yardstick for social sciences. They must thoroughly analyze the process of our Republic's 40-year development, theoretically generalize the many various experiences with a view to future challenges, and constantly check their own results for the possibility of defining theoretical positions on the basis of new, more far-reaching findings more precisely.

The party program is and has been the basic guideline for social sciences. It contains the knowledge that the further shaping of the developed socialist society has to be controlled consciously and systematically as a process of profound changes. Thus, the social sciences will have to pay even more attention to the dialectic interrelations

between objective and subjective things, objective legality, dialectic contradictions and driving forces of what we do, and the resulting consequences for management activities in all areas and spheres of socialist society.

The work of the social scientist must be deeply penetrated by the dialectic view of the entirety and the complex control of the socialist society's overall social developmental process. The dialectic interrelations between the economic, political, ideological, cultural, and social conditions of our society, between the social, collective, and individual interests have to be studied more profoundly. This makes interdisciplinary research work among social scientists as well as among social, natural, and technical scientists an objective requirement. It is not only finding the adequate forms of such cooperation that matters. Independent contributions have to be made with greater determination and in higher quality from the very beginning, especially concerning those problems that have to do with the political, economic, social, cultural, ideological, ethical, and other aspects of coming to terms with the scientific-technological revolution in socialism.

The dialectics of the internal and external conditions of development of socialist society, as well as the requirements and effects of class discussion and the competition of the opposite social system have to be elaborated in even greater detail. The Marxist - Leninist social scientists are facing greater challenges than ever before, for they have to find answers to the questions of the future of mankind that are scientifically founded, progressive, and mobilizing.

In this process we are always guided by our socialist class view. This view is in complete harmony with man's interest for preserving peace and for the solution of other global problems and starts out from a matter-of-fact scientific analysis of the world as it is. We do not reduce international relations to a simplified "pattern of class struggle." However, we know and find out every day anew that the class struggle and its conflicting interests remain the main stimulus for world affairs.

Our country's social scientists are also called upon to make the GDR's independent and constructive contribution to further dynamically develop socialism and to the international exchange of experiences and knowledge of the socialist countries. These and other theoretical tasks are the topic of agreements between our party and the CPSU on the long-term program on cooperation in the field of social sciences between scientists and research collectives of the GDR and the USSR. We have therefore agreed on enhancing cooperation among social scientists in working out a concept of modern socialism as well as the solution of basic problems of socialist economic integration. In coordinated research and frank discussions, the social scientists are to help find answers to the question of how socialism has to be shaped at the turn of the millennium so that it can fully develop its advantages and driving forces and does not only maintain, but even further strengthen its position in the world.

Familiarize All Pupils With the Values and Achievements of Socialism

Comrades, upon decision of the Secretariat of the Central Committee, aktiv meetings on public education were held in all kreise on 25 August 1988. These meetings were the political beginning of the 1988-89 academic year, which is largely determined by preparing and implementing the 11th Pedagogical Congress of the GDR.

Our general polytechnical secondary schools are one of the most important and historic—in the true sense of the word—achievements of the GDR. For the working people of our country it has become the work of their own hands, and for their children a natural reality.

In preparing the Ninth Teachers Congress, the teachers and educators have assumed the tasks to perform their daily teaching work, particularly instruction at a high level and to take special care of every individual pupil in the school year 1989. Their particular attention is directed toward strengthening patriotic education and toward familiarizing the pupils with the achievements and works of socialism.

Special attention is to be paid to the class-conscious education of the pupils. In this, the pupils must be efficiently supported, personally advised, have interrelations illucidated, contradictions explained, and they need exemplary persons who are living according to the socialist ideology and morals. They need the affection of their parents, of the teachers, and of all those who are responsible for the successful development of our children and young people.

To a great extent, it is the responsibility of the teachers and all members of our party to have the schoolchildren learn about how the problems of development and the difficulties have been mastered in the course of the 40 years of the GDR's history, about what efforts and performances have been necessary for this, and about how our achievements have been attained. In this respect, the introduction of new syllabi for history offers varied and effective opportunities and ideas.

The accountability election meetings in the public education institutions provided new stimuli for the political and pedagogical work of the Communists and proved to be a constructive contribution on the part of the comrades to preparing the congress. The basic concern of our party is to steadily deepen the trusting relations with teachers and to do everything so that every teacher may fulfill his responsible assignment increasingly better. This includes, above all, the further improvement of the ideopolitical work of the school party organizations. At

the same time, we affirm the standpoint that good instruction, solid education and training work, clean and well-maintained schools and kindergartens, the uncompromising safeguarding of the planned investments, preservation of values, and modernization measures decisively contribute to deepening the citizens' trust in the party's policy.

The quality of work in public education institutions also decisively determines the atmosphere in towns, villages, and residential areas. It is easier to work successfully and calmly and a contribution is made to family security and satisfaction when parents know that their children are well educated in the kindergartens, schools, and in all public education institutions, that they receive a lot of knowledge, develop their individual skills and talents, and are respected and promoted as adolescent socialist citizens. This also includes the use and development of the opportunities for extracurricular activities, games, and interesting leisure activities that are available in very region.

This spirit and concern also characterized the elections to the parents' aktivs. They were a broad democratic discussion on the development of every child and an important contribution to preparing the Ninth Pedagogical Congress. More than 2 million parents participated in them and elected more than 500,000 mothers and fathers from their midst into the parents' aktivs.

At the universities and technical colleges, more than 50,000 students successfully concluded direct studies in 1988 and were given their area of work in the various fields of society. In providing them with jobs and in selecting their work, efforts to make their work highly efficient were in the foreground. The respective enterprises now have the task to work with graduates in such a way that they can fully apply the knowledge gained during their studies, are quickly integrated into the labor collectives, and reach top-level achievements within a short period.

This year more than 53,500 young people have started studies at universities or technical colleges. The increasing interest of combines, enterprises, and institutions in qualifications is reflected in the further increased number of young skilled workers being sent to study at a university or technical college.

The work to reshape the content and methods of training has been continued. New training documents have meanwhile been introduced covering numerous special subjects. Their main goal is to create an organic link between solid basic training and the necessary amount of specialization and to further promote the students' independent scientific work.

The entire training presupposes trusting relations between university and technical college teachers and their students, an atmosphere in which students' proposals and suggestions are taken as seriously as the advice of the experienced teacher and scientist. We also stress the comradely cooperation between teachers and students because direct experience of the political and scientific dedication of his teacher has a lasting effect on the political, ideological, and character development of the student.

At the 11th SED Congress I said in this connection that education aimed at developing the socialist class standpoint remains the central issue. For us this means, above all, unconditional loyalty to the GDR and the determination to strengthen socialism by means of one's own scientific-technological performances, not to argue about deficiencies and difficulties, but to help overcome them. For us this means not judging imperialism by its facade, but recognizing its nature, that is harmful to man, and linking patriotism with active anti-imperialist solidarity and unshakable friendship with the Soviet Union and the other socialist countries. Such an attitude has to be demonstrated by teachers and must be developed by the students and the FDJ, their political organization, through their own activities.

Arts and Culture Have an Important Place in Our Party's Social Strategy

Dear comrades, the accountability report of the Rudolstadt Kreis leadership to the Central Committee Secretariat has provided varied stimuli which contribute to further raising the ideological level and effectiveness of intellectual-cultural life in the kreise, cities, and villages. This accountability report and the results obtained to date in evaluating it again confirm that the arts and culture have an important place in our party's social strategy, because, after all, our life is also characterized by a flourishing socialist national culture. Promoting it is in the interest of all citizens and simultaneously strengthens the international reputation of our socialist state.

Raising the cultural level of the workers class and its influence on socialist culture and arts continues to be the focal point. The 22d GDR Workers Festival and the 11th Cultural Festival of the Working People of Socialist Agriculture from 24 to 26 June 1988 in Frankfurt (Oder) Bezirk yielded impressive results in this respect. In the combines, enterprises, kreise, and bezirke the trade unions—together with the state organs, social organizations, and artists' associations—used the long-term preparations for the festivals to commission new artistic works, to improve the lay arts collectives, and to raise the standard of the range of cultural events and services. It becomes more and more obvious how rising demands on intellectual-cultural life are resulting from the processes of the scientific-technological revolution.

The high level of cultural life in our country is eloquently expressed in a multiplicity of ways. A comprehensive program of events for the 1988 cultural summer was compiled with the help of interesting new ideas and the

broad democratic participation of many honorary workers. The 32d Berlin Theater and Music Festival with more than 100 guest performances from at home and abroad, was an important national and international event.

The 10th Congress of the GDR Graphic Artists' Association was an outstanding cultural-political and social event. In a democratic, constructive, and critical discussion the delegates expressed their views on the results of their work, such as the 10th Arts Exhibition in Dresden, and on the function of graphic arts in further shaping the developed socialist society in the GDR. Numerous proposals raising the proportion of architectural arts, on the system of assignments, design, improvement of the material and social conditions of graphic artists, and on other problems were presented, which have to be dealt with by the Graphic Artists' Association in cooperation with the state organs.

On the basis of its programs of action for the preparation of the 40th anniversary of the GDR, the GDR Cultural League is making varied contributions to enriching cultural life, which correspond to the interest of many citizens. The work of its societies is particularly remarkable. Thus, the Society for Nature and Environment has proved to be an indispensable partner and help in propagating our socialist environmental policy and in winning over interested citizens for participation in shaping and preserving the natural bases of production and life. This is an important process of democratic participation in decisionmaking with regard to environmental policy, expressed in the landscape days and the national cultural conferences, for instance, which are proposed by the Cultural League and carried out together with many partners.

This year, important features were emphasized for cultivating and passing on the great revolutionary, socialist, and antifascist artistic and cultural traditions by means of the commemorative events on the 90th anniversaries of the birth of Bertolt Brecht and Hanns Eisler, the 50th anniversary of the death of Ernst Barlach, and the 100th anniversary of the birth of Friedrich Wolf. The artistic and intellectual legacy of the comrades-in-arms and alliance partners of the workers movement, of the pioneers and outstanding representatives of our socialist national culture is of great importance to the historical self-image of our people and to the patriotic pride of the citizens of our Republic.

The international competition "The Most Beautiful Books From All Over the World," in which 45 countries participated with 1,600 exhibits this year, again proved to be an essential part of our cultural life and a promotion of humanism and social progress. Now it is important to establish all preconditions so that the International Book Arts Exhibition in May 1989 in Leipzig—a world gallery of the most beautiful books—will become a convincing example of peaceful cooperation and understanding among peoples.

In September 1988 the GDR participated in the first session of the Intergovernmental Committee of the world decade of cultural development. This world decade, which was proclaimed by the United Nations for 1988-97, plays an important role in the further development of international dialogue and cooperation for the safeguarding of peace. The GDR national committee is making an effective contribution to reaching these goals.

In all fields of culture there are varied activities and new performances in preparing the 40th anniversary of the founding of the GDR. The bezirk and kreis leaderships should energetically support these projects. It is particularly necessary to use the available means, forces, and possibilities much better, so as to promote everywhere a rich and varied cultural life, which is based on the values and ideals of socialism. Such a cultural life has an essential share in the further development of the socialist way of life and of an atmosphere that is full of the joy of life, optimism, and well-being which correspond to our socialist society.

We support the development of new works of art which inspire public communication about the nature of our society, its historical development, and the possibilities of human development and of proving one's worth in our time. When the arts turn toward the real processes of life, with all their dynamism and complications, then this is in line with the basic concern of socialist realism. Thus, the arts are able to contribute a great deal to developing the socialist awareness of life and socialist convictions, values, and attitudes.

The demands on ideological content and the arts' effect on character development are not decreasing in our time. On the contrary, the struggles of our time make it necessary to defend the unmistakably socialist positions of our arts and culture against any attacks, and to develop them further.

The firm alliance between the party of the workers class and the artists and cultural workers is an inalienable principle of our policy. In this connection, particular attention has to be paid to continuous cooperation with young artists. The young generation of artists, artists who are increasingly raising their voice today, has developed out of this tested alliance. Reared in socialism and educated in the traditions of antifascism and proletarian internationalism, their works already have an essential share in the cultural life of our society. Very often this is done in a new way and sometimes with unusual artistic means or forms of expression.

Dialogue and the public, creative discussion of young art is important for them and for their work. Young artists need understanding and critical partners as a precondition for living together in a comradely way, for consolidating the relationship of trust and their active affinity with the reality of socialism, and for actively supporting

the working people in the struggle to implement new things and to overcome difficulties and shortcomings. Particular attention should be paid to gaining young artists as party members.

Comrades, our health and social sector is doing a lot for the people's well-being. Its performance, which is the sum total of thousands and thousands of humanistic feats of labor by doctors, scientists, nurses, nursery attendants, social workers, and technicians, is social policy in action.

Over the past 2 years, the Politburo and the government have made several important decision on the further development of the health sector and on the most important tasks of health protection. In this field, too, implementation decides everything. For instance, thanks to increasing education and public relations work, everyone knows about the harmful effects of unhealthy nutrition. Mass sports should also be developed further. In spite of good intentions and projects we cannot yet be satisfied with the changes. There is reason to attach greater importance to health issues in all social fields and to promote corresponding initiatives.

In October 1989 a national health conference of the Central Committee, the Council of Ministers, and the FDGB Central Council will be held in Berlin. We expect that further valuable proposals and suggestions will be submitted in a broad public discussion.

The 1989 Communal Elections—Another Step Toward Perfecting Our Socialist Democracy

Dear comrades, the communal elections will be a climax in the 40th year of the GDR's existence and in the further implementation of the resolutions adopted at the 11th party congress, and it goes without saying that preparations for them require a lot of work. Election times are, in particular, times of intensive political dialogue with all citizens. It has been confirmed precisely in local policy that cooperation involving the citizens increases to the degree that they are specifically informed about our policy goals and about local projects, to the degree that their proposals and ideas are taken up and acknowledged, briefly, to the degree that broad scope is provided for their democratic cooperation. Everybody in our society that holds political responsibility has the duty to listen attentively to what the citizens are concerned about and what suggestions they have to make. It is necessary to reach understanding on what can be done, so as to achieve further improvements in local everyday life on the spot.

The vitality of our socialist democracy is reflected by real codetermination involving more and more citizens with regard to management and planning in the state and the economy, to their conscious work for the comprehensive fulfillment of the plan in the factories and in the entire territory. The direct connection between tight central management and many various local initiatives, which corresponds to the nature of democratic centralism, is one of the decisive sources of our Republic's successful development. What is successful does not have to be called into question, but we will constantly qualify it further on the basis of the experiences of life.

With the 1989 communal elections, we will be taking another step toward perfecting our socialist democracy. In these elections the citizens will decide on the composition of the 7,800 local people's representations, which in the next 5 years will be responsible for the development of cities and municipalities. Those who run for the 203,000 deputies' mandates should be only those people who, through their cooperation for the people's benefit, represent the interests of all sections of the population, and who are known to the voters and recognized by them. In line with our many years of tradition, on the basis of our election law, one-third more candidates will be put up than deputies' mandates exist. Social organizations and institutions such as the German Sports Association of the GDR, URANIA, the voluntary fire brigade, and others should also suggest active members from their ranks as candidates. In this way even more citizens who work in the interest of the territory will be able to represent the people's interests as deputies.

The constituencies will be defined so that no more than eight to ten candidates run for election. That will even better allow the citizens to get to know them directly and vote on them. Besides examining the candidates in their work collectives, the National Front committees in residential areas as well as the National Front local committees also comment on the candidates that have been suggested. The National Front's suggestions for the election are discussed and resolved at meetings in the constituencies.

We think that all this will contribute to further qualifying our communal policy.

The performance comparisons that were carried out between the kreise in all bezirks by resolution of the Politburo confirm that the best headway is made by those territories where the local people's representations and the councils orient their efforts toward a substantial, responsible contribution to the national economic plan, where bones of contention are overcome together with the citizens themselves, and the struggle for the best results is organized as a common concern of all the responsible forces in the territory. The 56,700 communal agreements, concluded for 1988 between local state organs and enterprises, cooperatives, and institutions, as well as territorial communities of interests, science-and-production communities, and a large number of other forms of coordinated cooperation in the territory demonstrate a better development of the reserves of socialist communal policy. In view of the undisputed usefulness of this common work, which also benefits the combines and enterprises, it is important to apply the advanced experiences on a broad basis, and to make sure that what has been agreed upon is also reliably observed.

Among the tasks facing the people's representations and the councils, the responsibility for resolving the housing problem as a social problem by 1990 ranks first. To this end, state management within the unity of housing construction, housing control, and living space control has to be improved further. Everywhere it should be ensured that apartments do not remain uninhabited for a relatively long period and that necessary repairs are carried out in time. The plans for the distribution of living space, that are decided upon by the people's representations and are known to the citizens, have to be exactly fulfilled and publicly accounted for every year.

Controls carried out by the Worker - Peasant Inspectorate have drawn attention to the fact that in some large and medium-sized towns the capacity of the housing management enterprises is not sufficient for the necessary repairs to apartment houses. In this field, the responsible state organs—from the Council of Ministers to the councils of the respective cities—have the duty to effect changes even more quickly.

Shaping Our Socialist Constitutional State According to Plan

The development of socialist democracy is closely linked with shaping our socialist constitutional state according to plan. This is also expressed in the 82 important laws and decrees that have been passed, amended, or supplemented since the Eighth SED Congress. They were prepared publicly and are being implemented with joint responsibility. We consistently continue this tested path, on the basis of the adopted legislation plan.

Our party has always advocated the protection and expansion of the basic constitutional rights and freedoms of the citizens in line with their duties, and has implemented this in practice. Perfecting socialist democracy is inconceivable without consolidating the legal order, while, on the other hand, the well-considered expansion of rights and duties promotes the citizens' democratic participation.

In this spirit, the Council of Ministers—at the recommendation of the Politburo—is preparing proposals on having certain administrative decisions checked by the courts; these proposals will be submitted to the People's Chamber. They are another contribution to raising legal security in our country. With this we are fulfilling the assignment of our party program to develop the socialist legal system in accordance with the degree of maturity of our society.

Alliance Policy—the Decisive Foundation of Political Stability and the Motive Force of Further Progress

Dear comrades, as is known, socialist democracy in our country is based on the firm alliance between the workers class, the class of cooperative peasants, the members of the intelligentsia, and all other working people, which has developed over decades. From the antifascist - democratic start until today, our party has dedicated the utmost attention to this cooperation in order to solve the questions of social development in the interest of the entire people.

In our party we keep alive the insights of Marx, Engels, and Lenin that say that the workers class also defends the basic concerns of all other working classes and strata, and can be victorious only in an alliance with them. Eradicating the imperialist roots of fascism and war and building a new life corresponded both to the bitter experiences and to the will of all antifascist - democratic forces of the people. Finally, man—no matter what his social origin, no matter what his ideology or religion—was to be truly enabled to be man, free of exploitation and humiliation, of war and misery. From the very beginning, this has been the goal of our party and the motive for its alliance policy. This new life has developed here in the socialist GDR and it bears the marks of all classes and strata of our country. Socialism has room for everyone and it needs the ideas and deeds of all those who want to serve its development and, thus, themselves.

Striving for this, for more than 40 years we have been working together with the Democratic Peasants' Party of Germany, the Christian Democratic Union of Germany, the Liberal - Democratic Party of Germany, and the National Democratic Party of Germany as companions and fellow-fighters. They have supplied valuable political and social experiences to our alliance, traditions of the revolutionary struggle of the German peasants, ideals of liberal, national, and democratic thinking, and the social consequences of Christian ethics. Our friends have a great share in the fact that these humanist values of the best of our people have been able to develop fully in the GDR for the first time in German history.

With the Democratic Bloc and the National Front we have found forms of cooperation in our alliance which have stood their test under the concrete, specific conditions of building socialism in the GDR. This also applies to the joint work in the People's Chamber and in the other people's representative bodies, the State Council, and the Council of Ministers. In all these bodies, members of the friendly parties and mass organizations have been doing meritorious work for the common socialist fatherland from the hour of the GDR's foundation.

Undoubtedly, the resolutions of the eighth party congress also marked a new stage in the development of our alliance. We agree with our friends that the common aspects of our actions are deepened by the course of the unity of economic and social policy, and new demands are constantly made on our work, according to the policy of our alliance. This will continue in the shaping of the developed socialist society in the GDR. For we have only one objective, that is, to do everything for the welfare of the citizens, for the happiness of the workers class, the

members of all classes and social strata. In this way we understand man's self-realization through his own work. This is the purpose of our socialist democracy.

We move forward in full accord. When new tasks which are of special importance to the GDR's domestic and foreign policy are on the agenda, it is still our principle to jointly discuss their solution. This was reaffirmed during my exchange of opinions with the chairmen of the friendly parties and the president of the GDR National Front on 24 October 1988.

On the basis of the results of this meeting, the leaderships of the friendly parties have drawn conclusions for further implementing the resolutions of their party congresses. They are aimed at using even more effectively the great opportunities available to them, in order to assume their joint responsibility in all social sectors. We greatly appreciate it when these parties, with major contributions to the alliance, devote themselves to the basic requirements of the scientific-technological revolution and its connection with the advantages of socialism, as well as to all those questions that are important for the everyday life of the citizens. This includes the various efforts to contribute to the implementation of the housing program, to improve the supply of high-quality consumer goods, and to further increase the repairs, services, and supply from the cooperative and private craftsmen, the traders, businessmen, and innkeepers. Our comradely cooperation in the alliance has a secure, long-term basis. It constitutes a foundation which is decisive for political stability, one of the most important driving forces for further progress in shaping the developed socialist society in the GDR.

For years the citizens' initiative "Beautify Our Cities and Villages—Join In" has proved the great interest and readiness in lending a helping hand to continuously improve the housing and living conditions. Impressive results were achieved by this movement in the first 10 months of this year. Among them are contributions valued at M12.2 billion to preserve residential buildings and their surroundings; 171,555 apartments of older citizens, and 173,506 rooms in schools, kindergartens, daycare centers, doctor's practices, nurses' wards, restaurants, shops, clubs, culture houses, and in other social institutions were renovated. In cities and villages many things were done to protect nature and the environment.

Equal Rights for Women—Firm Principle of Our Women's Policy

Dear comrades, encouraging results have been registered in the women's policy of our party. The line of the 11th party congress to do everything so that women are able to make use of their equal rights was followed with perseverance. Developments completely confirm this. Millions of women and girls perform great, creative tasks in all social sectors and fields, in industry, the construction sector, in agriculture, national education, the health system, in trade, the services sector, in science, and in culture.

They prove that it was completely right to ensure from the very beginning that girls receive the same education as boys and learn a trade. The great efforts that have been made by society and the women themselves to complete their vocational training within the scope of adult education or to continue their education have paid off. For example, over the years, not only did the percentage of women and girls who work, learn, or study increase to more than 91 percent, but, with 86.3 percent, their training as skilled workers, masters, university and technical school cadres reached a level that enables them to perform highly qualified tasks.

The courage and commitment of women to participate in advancing the process of the scientific-technological revolution and to cooperate in all research and innovative work are especially impressive. In 1987 alone, more than half-a-million women attended adult education courses, many of them did so to prepare themselves for new technologies. Therefore, their role has considerably increased in the economic sectors, in which it is primarily key technologies that are used. For example, in the electrotechnical and electronic combines almost half of the employees are women. Their proportion among university and technical school cadres is almost one-third. We find many of them in enterprises of the microelectronics sector, in computer-aided jobs, and in data processing. In the industrial sectors that prepare production, at more than 43 percent, the proportion of women has reached a considerable extent. The positive effects of this development are shown by the increasing number of inventions by women. In 1987 alone, 2017 inventions and patents were submitted by them.

Particularly convincing proof of the women's political dedication is their work in the trade unions and their proverbial initiatives in socialist competition. It is not only that 53.2 percent of all FDGB members are women, but their proportion in elective functions—from the trade union group to the National Executive Committee—is equally high.

More and more women and girls find their way into our party. They constitute 36.3 percent of all members and candidate members. This shows in an impressive way how professional work and technical skills affect the will of the women to actively participate in shaping the developed socialist society in the ranks of our militant alliance. Their dedicated work, their proposals and prudent ideas, which they contribute to the continuation of the work, will lead to an even greater increase of their share in responsible functions of our party in the future. This can be predicted even today. The clear words spoken in this connection at the deliberations with the kreis first secretaries have not been ineffectual. They encourage our female comrades and have helped some

party leaderships to counter more energetically the various reservations and to promote the female comrades even more deliberately and purposefully.

All these are unequalled results. As everyone knows, neither our socialist society nor the women have achieved them without effort. It was the Eighth SED Congress that urged using the course of the unity of economic and social policy to solve those problems on which it depends whether a woman can fully use her equal rights. We have observed this precisely. Under the leadership of our party and with full agreement of the women—even the entire population—measures have become effective since then and tasks have been fulfilled that enable women to develop their skills and personality and to be good and caring mothers at the same time.

This is remarkably expressed in the fact that 91 percent of the women in our Republic bear at least one child. This high figure of women who become mothers—also from the international point of view—proves that, thanks to good conditions, a job and motherhood are considered compatible and have already found firm roots in the minds of women and men. Basically we have achieved with this what August Bebel, whose 150th birthday will soon be celebrated, expressed in his famous work "Woman and Socialism." "Like man, woman is to become a useful part of society with equal rights," he wrote—"like man, she should be able to fully develop all her physical and intellectual skills and—by fulfilling her duties—to claim her rights."

In the future, too, the unity of a job and motherhood has to be taken into account in our party's policy on women, because it is the nature of the matter that the women's need to apply knowledge gained and to work in leading functions will increase. To deliberately advance this process through our party, the state, the economy, and all social forces, is a requirement of the developed socialist society. In other words, the guideline—which has been valid since the Eighth SED Congress—to work in every enterprise, cooperative, town, and village in such a way that the women's talents and skills can be further developed, that the families live well, and that healthy, joyful, and educated children grow up remains our party's supreme concern.

Being aware of the fact that every good deed serves the welfare of the people, the strengthening of socialism, and peace, our women's organization is doing varied social work. Since the beginning of its competition for the preparation of the 40th anniversary of the GDR, the members of the Democratic Women's League of Germany, have voluntarily worked more than 11 million hours to beautify residential areas, to shape and maintain children's facilities and playgrounds, and to cultivate and harvest in socialist agriculture. The results achieved to date are based on ideopolitical work among the masses, which takes into account the women's increased need to be well informed and to receive answers to their questions.

This is confirmed by, among other things, the events organized in all kreise by the Democratic Women's League—together with the committees of the National Front and with women from the Christian population, from the crafts, and trade—on the occasion of the 39th anniversary of the founding of the GDR. The women who participated in these events discussed frankly and open-mindedly issues of our time and reported on how they intend to contribute even more to the good policy of our worker-peasant state. I think that it is self-evident that the leaderships of our party will continue to pay attention to the socially useful work of the women's organizations and will support it.

Impressive Victories at the Olympic Games Demonstrated the Capacity of the Socialist Sports Movement

Comrades, at the 24th Olympic games our athletes impressively demonstrated the performances the young people are enabled and motivated to make by our socialist society. By winning 102 medals, they placed an excellent second on the list of medal-winning countries after hard, fair competition with the world's best athletes. The employees of television, radio, press, and ADN, who worked day and night with great dedication and technical knowledge so that the citizens of our country were informed quickly and comprehensively about the sports events in Seoul, deserve great appreciation.

The total number of medals won by the GDR—in particular the 37 gold medals—reflect the capacity of our socialist sports movement. At the same time, the 1988 Olympic games made clear the great speed with which the challenges increase in international competitive sports and how many efforts will be necessary in the future to maintain our own athletic standards among the rising number of international top-level artists and to reach top achievements in further fields.

We see with pleasure how our best athletes come at an early age from the varied mass sports movements that are initiated and organized by the German Gymnastics and Sports Federation. In line with the tasks set by the 11th SED Congress, the German Gymnastics and Sports Federation is meeting the people's increasingly differentiated ideas about sports and, above all, is trying even more to arouse and consolidate the joy of the young generation in their own physical training. The Olympic meeting after the games of Seoul proved how closely linked the striving for athletic top performances and the joy in one's own sports activities are in our country. On the eve of the 40th anniversary of the founding of our socialist sports organization, a total of 4.7 million citizens participated in it.

Comrades, the great performances of the members of the National People's Army, the GDR border troops, and the other organs of the Ministry of the Interior, the Ministry of State Security, civilian defense, and the

Customs Administration are included in our concept of safeguarding peace. The report of the commander-in-chief of the Warsaw Pact forces to the Political Consultative Committee noted that the GDR completely fulfills its alliance obligations.

The Politburo accepted an informative report on the 22d session of the Defense Ministers' Committee and confirmed the stipulations made there on the further consequences drawn from the military doctrine of the Warsaw Pact states. In agreement with this, the Communists and all members of the armed forces live up to the great responsibility they bear for the implementation of the peace program of socialism and, thus, for peaceful prospects of mankind. Military service in socialism is an indispensable service for peace. During this year's reception for the graduates of the military academies, it was again confirmed that our armed forces have class-minded, highly educated cadres, who fulfill their class assignment to protect the socialist system and the citizens' peaceful life against any enemy with great personal dedication.

As I have already stressed, we do not overlook the fact that those opposing any disarmament are intensifying their activities. Therefore, the extent of our efforts for defense not only depends on wishful thinking, but is determined by the degree of potential threat. We shape the GDR's national defense in the interest of its citizens in line with our conditions, the topical requirements, and our duties in the alliance.

Therefore, we are paying undivided attention to socialist military training and the supply of staff and materiel to the armed organs. All available forces and means are to be used economically. The improvement of service, working, and living conditions according to plan remains a permanent task. All social forces are increasingly responsible for winning and training young people for military jobs.

The enemies of socialism are directing their attacks more intensively at the political stability and attractiveness of our republic. In this connection, they leave nothing undone to include again and again citizens of our country in their plans. However, neither provocations against the national border nor ideological diversion and slander campaigns will hinder us from gradually increasing the achievements of the socialist society on German soil.

The determined and preventive actions of the members of the Ministry of State Security, the German People's Police, and the other organs of the Ministry of the Interior contribute to reliably safeguarding the worker-peasant power and to guaranteeing, together with the population, public order at any time. In this spirit, the manifestation of the workers militia on the occasion of the 35th anniversary of the existence of the armed workers formations was an expression of the working people's determination to make sure that the GDR will never become a playground for people who want to drag us back into the old time and the old misery.

We Are Facing the Challenges of the 1990's in a Unified and Cohesive Way

Dear comrades, convening the 12th SED Congress, on which we will decide at this Central Committee session, means for all party organizations to fully adjust their ideopolitical and organizational militant strength for the preparation of this important event in the life of our party and of the entire people. Established by the merger of the KPD and the SPD, the SED, the Marxist-Leninist vanguard of the workers class and all working people of our country, has traveled a historic way of building socialism and social renewal, a way of hard conflicts with those imperialist forces that want to turn back the clocks of contemporary history.

It brought social changes for the better, as they have never been seen on German soil during any prior historical period. Thanks to the creative work, industriousness, efforts, and the energetic certainty about the future of now several generations of our people, it led to what the GDR is today and will continue toward what it will become tomorrow.

Based on the trust of the working masses, closely linked with them, finding answers that are appropriate to the always new questions of development in our country, and acting in a unified and cohesive way, our party is facing the challenges of the 1990's. The further shaping of the developed socialist society and the safeguarding of peace, to which we have wholly subscribed, are the personification of our supreme goal to do everything for the welfare of the people. Our party comes from the people and serves the people. This is how our voluntary militant alliance of persons of the same conviction, of communists, understands itself and acts accordingly.

This also characterized the party elections of the past few months: 94 percent of the comrades participated in the discussions of the party groups and 94.4 percent in the accountability election meetings of the departmental party organizations and basic organizations. More than 1.4 million members and candidate members took the floor in the discussion; 482,521 comrades were elected to the leaderships. In general, one can speak of a big, business-like, critical, and constructive work discussion in a vivid atmosphere of inner-party democracy, which was aimed at the further implementation of the decisions of the 11th SED Congress.

The results of one's own work were checked, valuable experiences that have to be generalized were explained, arguments on the various topical problems were worked out, and what is important in the respective area in the future and what has to be done was set down in decisions. This is how it must be. The party organization is

the political home of every comrade, and at the members' assembly those things become effective that are worked for by everyone at his work place, in his collective, and, not least, in the residential area with energy, power of conviction, and personal example so that the party's policy can be implemented successfully.

At the conference with the kreis first secretaries I explained the focal issues of ideopolitical work, the core of our party's activities, and I refer to them again today because they remain topical. World events are very turbulent; often contradictory events are rushing at the people; the winds of ideological conflict in connection with the competition between the different social systems and the struggle for peace are not abating, as is known, but intensifying.

The daily trusting political discussion with the colleagues at the workplace and with all citizens is particularly important at such a time, so that they have guidelines to stick to in every situation. It is necessary to explain our policy in a convincing manner, and to elucidate the foreign and domestic-policy conditions under which we are implementing it. Everybody should be familiar with the situation and know what is important. This requires contact with the people, pointing out to them in a trusting manner the tasks that are to be fulfilled and discussing the solution of problems. Complete dedication on the part of every party member is necessary to deal with everything in a sensitive way that results for the citizens from their responsibility for the common cause, not to avoid any question that arises in their lives through the clash between socialist and bourgeois ideologies. It is particularly in this field that we can see best how a comrade proves himself as a communist. Therefore, frank words are necessary if a comrade becomes weak-kneed or chooses to remain silent when the political argument of the party is needed.

The kreis leaderships and the leaderships of the basic organization should pay great attention that the variety of information, press, radio, television news, commentaries, and reports in the GDR are used even more purposefully for ideopolitical work. We need accurate arguments in our mass media and in our daily dialogue with the citizens.

We continue to use the revolutionary ideology of the workers class, Marxism-Leninism, which is the theoretical foundation of our whole activity, as a source for our work. It is particularly the study of the works of Marx, Engels, Lenin, in close connection with the party program and our militant experiences, that enables us to find the correct answers to all new questions and phenomena of our time and to act accordingly. This applies to the party as a whole as well as to every individual communist. The more efficiently every comrade disseminates and defends Marxism-Leninism as a guideline for conscious actions in the interest of the workers class and all working people, the greater the mobilizing effect will be.

Our party's educational institutions have provided a solid basis for the Marxist-Leninist education of the communists. From 1976 on, a total of 732,644 comrades from basic organizations have studied fundamental issues of our theory and of topical policies in courses at the 263 Marxism-Leninism kreis schools and 459 enterprise schools. Our party disposes of an ideological potential which must be tightly organized and placed in the full service of our offensive aimed at launching the ideas of socialism and peace.

On the basis of the positions of consistent partiality and a firm class standpoint, every comrade must discuss in a trusting and candid manner all problems that affect the people. Ideological work—there is no need to mention that—does not only involve discussions and explanations but also the creation of preconditions for practical changes for the better so that new situations are constantly created for the people's well-being. To act in this way as confidential persons and discussion partners always requires an active and militant approach, and the militant advocation of the ideals of our ideology and the policy of the party.

In this spirit, party aktiv meetings were held in all bezirke and kreise in September at the beginning of the party elections and at the start of the 1988-89 party school year, which were attended by 140,000 party activists and propaganda experts. A total of 967 comrades participated in the discussions. The party school year must fulfill in an increasingly better way its central role in ensuring a high theoretical level of the consistent Marxist-Leninist education of all members and candidate members, and closely link the teaching of basic issues of Marxism-Leninism and of the SED policy with arguments for the solution of topical questions.

Familiarizing the Young With the Experiences of the Creation and the Growth of the GDR

Comrades, our young generation, the FDJ, helpers and the militant reserve of our party, is particularly dear to our hearts. It has responded to the call of the 11th SED Congress and, together with all strata of the youth, is making an outstanding contribution within the framework of the "FDJ Pledge GDR 40." To be young and to live in our socialist fatherland is a great experience, and we are glad that the young use the chances for active participation that are offered to them. The young people in our country also work with dedication and responsibility for the protection of our republic.

The resolution of the Politburo on the report of the FDJ Central Council on the Eighth Pioneer Meeting contains basic stipulations for the further activities of the FDJ and its pioneer organization "Ernst Thaelmann" at the secondary schools. Youth is today faced with the challenge to acquire the political and expert knowledge to

carry the banner of the achievements of socialism on German soil over the threshold of the new millenium and to steadfastly defend the ideals of socialism under all circumstances.

Our policy, aimed at placing confidence in the youth and at entrusting it with great responsibility in all social spheres, makes it necessary especially in our time to teach the young the ideas of Marx, Engels, and Lenin in close connection with life, to familiarize them with the creation and the growth of the GDR, and to explain to them our social strategy. This cannot be done without personal dialogue between the communists and all social forces and the young. To work among the young and to make them aware of the dialectics of the international class struggle assumes increasing importance in the work of all party organizations and all comrades.

In this connection, I would like to recall Lenin's statement that the young have a different approach toward socialism than their parents have. For them, many things belong to the past, they have learned them from history books, from the reports of old people, and from works of art. Our educational system has ensured a high level of knowledge, and the young are constantly confronted with a variety of topical information which, owing to the open conditions in our country, can also be obtained from foreign sources. Young people, who often ask candid and critical questions and expect clear and specific replies, should be treated with openness, sensitivity, and receive credible answers. Only in this way can socialist standpoints and convictions be promoted and the striving for performance be stimulated, which is of vital importance for the whole society.

The economic initiatives of the FDJ, the 31st Fair of the Masters of Tomorrow, have demonstrated that our youth has accepted the mastering of the scientific-technological revolution as the revolutionary task of our time. Valuable results that can be used in the implementation of our economic strategy are achieved wherever the skills and the knowledge of the youth brigades and youth research collectives, of young innovators and students, and where their creativity and passion for the solution of complicated tasks are directed toward the challenges of the scientific-technological revolution. Therefore, every party leadership must increasingly check in its sphere of responsibility whether everything has been done to support the initiatives of the youth brigades in accordance with the resolutions of the Zeitz meeting of youth brigadiers and to create optimum possibilities for the development of the FDJ youth research collectives.

The party organizations in the combines, enterprises, and institutions, the leaderships of the FDJ, of the trade unions, and of the Chamber of Technology must vigorously ensure that the youth collectives are assigned challenging tasks in the development and application of key technologies. The solutions that have been worked out must be applied quickly and comprehensively in the interest of high economic efficiency. A waste of ideas will ultimately lead to a waste of national income. A particularly high degree of intelligence and energy are today required on the part of young engineers and scientist in order to break new scientific-technological ground by means of inventions, patents, and software solutions.

The contribution of the GDR's youth to strengthening the socialist fatherland and to the struggle to safeguard peace is of the greatest international significance. In this connection, the "Friendship Program of the Youth of the GDR and PPR," agreed between Comrade Wojciech Jaruzelski and myself during the meeting of the youths of our countries in Wroclaw, plays an important political role. Over 412,000 girls and boys from both countries have participated in the traditional children and youth exchange this year. This also demonstrates that socialist patriotism is always linked with international proletarianism in our country.

The "FDJ Whitsun Meeting" in our capital Berlin will be a special social climax in the preparations for the 40th anniversary of the founding of the GDR. The FDJ will organize it as a powerful manifestation of the young for socialism and peace, as an exhibition of the achievements of the FDJ, and as a celebration of the joy of living. We are convinced that all party leaderships and all social forces will support the FDJ in the proven manner.

Comrades, the Politburo suggests to the Central Committee to establish a period of time, 1 September to 31 December, for the exchange of the party documents. This measure is required because the membership cards of the majority of party members will expire in 1990. The exchange of documents constitutes a significant political measure that contributes to further enhancing the leading role of the SED and to increasing its militant strength.

In connection with the exchange, personal talks with all SED members and candidate members will be suggested. This has proven a useful tradition in our party.

The Republic Developed Into a Flourishing Socialist State Under the Leadership of the Party

Dear comrades, in the 40th year following the founding of our party we state with pleasure and not without commotion that the policy of our party is bearing rich fruit. We have created a modern socialist state on German soil and learned how to govern it together with the people. Thanks to the industriousness, the creativity, and the initiatives of the workers class, the peasants, and the intelligentsia, the GDR has developed into a flourishing socialist country under the leadership of our party. The legacy of the greatest sons of our people, the founders of scientific socialism, Karl Marx and Friedrich Engels, of the revolutionary social democrats, and those who founded the KPD in the fire of the November Revolution 70 years ago, of all those who have always

advocated progress during the long and eventful German history has been fulfilled. Scientific socialism has stood the test in practical life. It is no longer a utopia but has become a reality. The implementation of the teachings of Marx and Engels and their enrichment by the ideas of V.I. Lenin have proven to be fortunate for mankind, fortunate for our people.

Our republic has arisen from ruins in the true sense of the word and oriented itself toward the future. This does not hold true for the FRG. There the antifascist-democratic reorganization was vehemently impeded by all Western occupying powers, and the FRG was dragged back into capitalist restoration. Many of us still have vivid memories of the spring of 1945, they recall the initial hopelessness of many, the tears of mothers who mourned their daughters and sons, the children's lamenting over the loss of their parents. In view of the heaps of ruins left by World War II many who survived no longer believed that normal life would again be possible.

Communists and social democrats, and steadfast antifascists were the first to show the way toward eliminating the chaos. It was the time when the members of the FDJ marched through the streets singing the legendary song "Participate in the construction, FDJ" and joined the activists of the first hour in removing the debris, and in repairing apartments, enterprises, and roads. The criminal ideology of Hitlerite fascism was slowly replaced by the antifascist ideology, and the socialist ideology became the dominating force. Nearly at the same time the FDJ and a little later the KPD were banned in the FRG. Strong police forces prevented young people in the FRG from visiting the GDR. Let me mention in this connection the first German meeting and the report by Bertold Brecht on the Herrnburg Way.

New facts and good arguments won over people to participate in a new and better life. What has been created by the hands of the people should be the property of the people. This was the case in the enterprises and in the country where the century-old dream of the peasants to become their own masters on their own soil was fulfilled through the land reform. All spheres of social life were fundamentally reorganized for the people's benefit.

The worker-peasant power was, is, and continues to be the decisive force.

It was and continues to be important today to serve peace through responsible actions and to increase the social property of the people. It was only through industriousness that we achieved progress in the construction of the new society. We received great strength from the slogan "The way we work today we will live tomorrow." It has not lost its topicality.

Even at the time of the Weimar Republic, that is, at the time of the struggle for power, we opposed the bourgeoise defamation that we are in favor of egalitarianism, that in socialism an industrious person would not earn more than a less industrious one. It was Karl Marx, who stated in his "Criticism of the Gotha Program" that in Socialism everyone is paid according to his abilities and his performance. Only at a higher stage of the communist society ..., he wrote, the principle of "Everyone according to his abilities, to everyone according to his needs" is valid. This insight has enabled our party to set down the next steps in every stage of development together with our allies.

The increase in labor productivity has been and is a decisive aspect. As Lenin said, ultimately it is the most important aspect for the victory of the new social system over the old one. These are also the principles that determine the course of the unity of economic and social policy that we have pursued since our eighth congress in 1971. In order to strengthen the social aspects of our building work, we switched over our national economy to intensification at the Eighth SED Congress at the latest—we switched over to a direct and simultaneously future-oriented improvement of the standard of living.

Years ago, who would have thought that we would be able to solve the housing problem as a social question within a short period, that today we would master the technology for the production of the 1-megabit memory circuit, that the principle of equal education for all is a matter of course as is full employment, social security, and stability of prices for basic consumer goods, rents, charges, and services?

We have always been guided by the premise that the face of socialism—one can say that today—in the colors of the GDR grows to the extent to which scientific-technological progress is linked with social progress. As we affirmed during the period under review in the Politburo when establishing our further course, the GDR takes into account that the scientific-technological revolution can certainly be mastered while ensuring full employment and the people's prosperity and without mass unemployment and new poverty. One can learn as little harmony of material and social development from the capitalist profit economy as one can learn humaneness and justice.

We are obligated to our people and their well-being, we serve their interests. This makes the meaning of socialism more and more evident—achieving the welfare of the people by eliminating the exploitation of man by man, developing all of man's talents and skills, and making him actively participate in all issues of social development. Knowing about the sense of our struggle, knowing and understanding our social concept, participating in the building of socialism, and experiencing its reality, the experiences from our broad alliance policy, and the cultivation of our intellectual-cultural heritage have rooted the ideas of socialism deeply and ineradicably in the minds of the GDR people.

When we speak of socialism, of the ways and requirements of its further shaping in line with the decisions of the 11th SED Congress, we know exactly about what we are speaking. Socialism as a theory and practice has developed from the basic interests of the workers class and all working people to free themselves from exploitation, oppression, and war. As a social system it is that association of free citizens which in the Communist Manifesto Marx and Engels characterized as a society in which man can be man.

In its social policy, our party has always proceeded from the premise that building and developing socialism is based on universally valid regularities. Safeguarding the power of the workers class and consolidating its alliance with all working classes and strata, the further qualitative development of the conditions of socialist ownership, and the steady strengthening of the leading political role of the party of the workers class are as indispensable for the existence and the further perfection of socialism as the continuous consolidation of the community of socialist states, their solidarity and effective, equal cooperation in the spirit of proletarian internationalism.

On this basis, our party has developed its social concept and has steadily expanded it through the theoretical and practical solution of newly emerging questions. This is always done by taking into consideration the natural characteristics and values of socialism and the specific conditions and requirements of our country, our history, the traditions and militant experiences of the German workers movement and the German people, and also the fact of the parallel existence of two independent German states with different social systems that belong to different alliances.

With Every Step of Implementing Our Social Strategy We Prove the Historic Superiority of Socialism

According to its nature, the building of socialism is a revolutionary process. Embedded in it, we have carried out a great number of changes and reforms. The flexibility shown in this respect must not be lost in the future. At all times it is necessary to keep our goal in mind—the further shaping, the further expansion of the developed socialist society. It is necessary to adjust to new things at any time, to maintain the course toward the goal under any conditions, and to consistently follow the charted path. In this connection, there must always be a unity between continuity and renewal. The GDR is not an island of the blessed, it must not be endowed with the halo of infallibility. However, this should not prevent us from deepening the awareness of all citizens that our successes in shaping the developed socialist society are the result of the creative work of millions of people and that socialism is the only possible alternative to the capitalist society. With every step of implementing our social strategy we prove the historic superiority of the world of socialism, which demonstrates its unity in its variety.

The slogan coined by Karl Marx and Friedrich Engels "Proletarian of all countries, unite!" does not lose its importance. The dialectics of national and international aspects increase the responsibility of every party toward its people and the international movement. The class content of the policy of peaceful coexistence does not get lost in the process. Those who dream of this will wake up quite suddenly one day.

The triumph of socialism does not depend on any kind of wishful thinking but on the laws of development of human society, in which the revolutions are the locomotives of history and in which the people who are already building socialism are steadily enriching it with new achievements.

In our view, all this should be included in the political work among the masses to prepare our 12th SED Congress and to prepare the 40th anniversary of the founding of the GDR, the first socialist worker-peasant state on German soil. In a few weeks we will celebrate the 70th anniversary of the founding of the KPD. One realizes the entire historical greatness of the fact that, briefly after the November revolution, this gave rise to the one political force that was able to lead with clear goals the workers class and all working people in the struggle against imperialism, militarism, and war, and for socialism and peace. These 7 decades are heroic, sacrificial, and everlasting chapters in the history of the revolutionary German workers movement, which have been crowned by the establishment and successful development of our socialist GDR.

By solving the tasks of the present with a view to the year 2000 and by working out the tasks for the 1990's, we are worthily continuing the work done so far.

The decisions of the seventh Central Committee session will be a valuable support to the work of all party organizations in this respect.

Propagandists Query Party on Internal Issues
LD1312110788 Budapest Domestic Service in Hungarian 0600 GMT 13 Dec 88

[Text] [Presenter] In Budapest yesterday it was not journalists but party propagandists who interrogated, among others, the MSZMP spokesmen and government spokesmen. For all that, our correspondent Zsuzsa Szikra was at the forum:

[Szikra] What is worse, the domestic political mood, or the situation? According to party spokesman Laszlo Major, the mood. In his view this is a Hungarian charcteristic. Several people asked about the country's former leaders: There were some who were interested in why Andras Hegedus [Hungarian premier in 1955-1956, later expelled from the MSZMP] gets a pension of 40,000 forints. There were some who were interested in what Karoly Nemeth, Gyorgy Lazar and Ferenc Havasi are doing now.

According to the decisionmakers Andras Hegedus's pension is so high because this also is part of a civilized transfer of power. More and more people did not agree; shouting began among those who thought that this decision is an injustice to the destitute Hungarian pensioners.

The other three mentioned leaders are well, went the reply. Money was also of interest to the questioner who was curious as to how it is possible that, foreseeably, 18 months will be needed to enable the country's leaders to ascertain how great the country's debt really is. According to the party spokesman this is because the leadership knows of the debt, but not the structure—to be blunt—of how it came about and where it went. Therefore this is what must be investigated and this is why the time is needed.

Perhaps it is not merely by chance that it occurred to one of the people present to ask whether the party's leaders know that not every party member agrees with their current policy, and whether they are prepared to handle this. Yes, went the reply, although they judge that the current changes reflect the opinion of the majority of party members, and as long as that is so there is no problem. If, however, this becomes the opinion of the minority, the appropriate conclusions will have to be drawn.

Pozsgay, Nyers Cited on Institutional Reform
PM1412110088 Rome LA REPUBBLICA in Italian 10 Dec 88 p 12

[Andrea Tarquini dispatch: "'Leninist Dogmas, Farewell'; Budapest Wants Parties"]

[Excerpt] Budapest—[Passage omitted] "We have discussed, and are still discussing, with the opposition how to resolve the key problem," Pozsgay told me, talking respectfully of Miklos Vasarhely, KIS, Haraszti, and all the country's critical voices. He added: "The problem is the crisis of confidence: So many institutions in so many countries can suffer it. The opposition realizes this too, and its self-control and avoidance of extremist language are most important. They all want a multiparty system, and this is what I hope for, too. None of them yet wants to register as a party. This means that the path of compromise has been taken, a confrontation has been averted, and the most important thing for everyone is the formulation of the new constitution.

[Tarquini] What are its fundamental principles?

[Pozsgay] First, unlike the present constitution, the new one should start by specifying precise and concrete human rights guarantees. It should provide specific guarantees for the exercise of human rights and establish a judicial forum with constitutional responsibilities. It is also desirable that an ombudsman, a defender of consumers' and citizens' rights, be created.

[Tarquini] Would the Communist Party really be willing to risk an electoral defeat and relinquish power after 40 years?

[Pozsgay] The role of a parliament open to several parties and composed on the basis of free elections should be defined to protect the legislators' autonomy. Perhaps it would be better to change to a bicameral system or to redefine the role of the present single chamber. The present State Presidential Council should be eliminated and the institution of a president of the republic—perhaps elected by universal suffrage—should be established.

[Tarquini] Yes, but would the old "party leading role" survive or not?

[Pozsgay] The constitution should not contain ideological recipes, so it is desirable for it not to assert the communist party's "leading role." The communist party and the other parties must compete in an open political contest. Precise rules will be needed on censorship within observance of the aforementioned principles of human rights guarantees. For the sake of European stability the only absolute limit will be Hungary's international commitments. [Pozsgay ends]

So much for the constitutional project, which resembles and goes beyond the "Action Program" of Dubcek's Communist Party and the "2,000-Page Manifesto"—the two sacred texts in Prague 20 years ago. What about the risks and the reservations? The opposition is negotiating and, no less than Pozsgay, respects the rule of confidentiality and avoids making public value judgments. In Warsaw the "roundtable" has been abandoned and a government-Solidarity dialogue has been ruled out by the authorities, but here the roundtable is proceeding full speed ahead.

Reszo Nyers had this to say: "We must see how the four-way relationship works among: 1, the state or private enterprises, which should work according to market laws; 2, the labor unions; 3, the 'alternative' or 'independent' organizations; and, 4, the party, state, and government."

Will this be an equal-based relationship? This is what Nyers seems to hope: "We must hasten," he said, "the transition to political democracy precisely insofar as there is a pressing need to accelerate the return to a market economy. We cannot do one thing, then the other: Democracy and the market economy must go hand in hand. In particular we must grant the labor unions the freedoms and the role that they have been given by the Labor Party in London and the SPD in Bonn." [passage omitted]

Nemeth Speaks on Creation of New Ministry

LD1212220288 Budapest MTI in English
2045 GMT 12 Dec 88

[Text] Budapest, December 12 (MTI)—During its Monday session, the Construction and Transport Committee of the Hungarian National Assembly heard the report of Prime Minister Miklos Nemeth and Deputy Justice Minister Tamas Sarkozy on the modernization of governmental work, the setting up of the new ministry and the related questions of personnel.

The prime minister stated that on the basis of thorough function analyses, it was decided to replace, as of January 1, the Ministry of Transport and the Ministry of Construction and Urban Development by a Ministry of Transport, Telecommunication and Construction.

Afterwards the committee approved the bill on the investments of foreign citizens in Hungary. Several deputies raised the question whether Hungary has been adequately prepared for the reception of foreign capital.

The committee heard a report on the planned budget for 1989 of the three branches concerned. The competent deputy minister mentioned the financial position of the Ministry of Transport as the reason for the 20 per cent rise in railway freight tariffs and the 10 per cent rise in domestic road transport, as well as for the sharp increase in the price of railway, long-distance and local mass transportation.

The vice-president of the Hungarian post said that modern electronic distance-dial exchanges are to be put into operation, and in parallel the fee of postal services will be raised by 14 per cent on average.

In his contribution to the debate, Istvan Kollarik, deputy minister of finance, pointed out that next year the budget deficit must not exceed the 20,000-million-forint mark. National economic planning should be subordinated to this goal. There is need for a selective financial policy. A slight improvement can only be expected in higher education and research, while taxes will rise in most areas. The aim is to create a situation where consumption will decrease through the self-restraint of society.

After the debate, the committee adopted the second economic development alternative, with four votes against and four abstentions, which would reduce the budget deficit by drastic cuts in subsidies and the introduction of a 6 per cent supplementary tax for 1989.

As the last point of the agenda, retired deputy prime minister Jozsef Marjai gave information on the preparations for the 1995 Budapest-Vienna world expo. According to preliminary calculations, organization would cost the Hungarian side 118,000-150,000 million forints, depending on the choice of scene.

Central Control Committee Holds Meeting

AU1412105588 Budapest MTI in English
1950 GMT 12 Dec 88

[Text] Budapest, MTI, 12/12/1988—During its Monday session, the Central Control Committee of the Hungarian Socialist Workers' Party adopted a principal stand on control over the financial management of the Central Committee. The Central Control Committee will notify the leading party bodies and the membership of its findings.

In the first half of 1989 the body will work according to the political line set at the national party conference, and fulfill its mission in compliance with the rules of organization. They will participate in shaping the party's policy and organization, in preparing, carrying out and controlling party decisions. The body is to take part in the working out and commenting of themes to be discussed by the Central Committeee in the first half of next year.

The Central Control Committee is to join in the preparatory work of the rules of organization to be submitted to the 14th Party Congress. They will formulate their position on the up-to-date interpretation of a few important basic principles, with special regard to democratic centralism, party unity and party discipline.

MSZMP Political Committee Meets 13 Dec

LD1312224388 Budapest MTI in English
2133 GMT 13 Dec 88

[Text] Budapest, December 13 (MTI)—During its Tuesday session, the Political Committee of the Hungarian Socialist Workers' Party heard a report on relations with Hungarians living abroad, mainly those in the West. The body welcomed the recent rapprochement in the humanitarian and economic fields. The favourable change in emigrants' judgement of Hungarian policy was termed as noteworthy.

The settled nature of links between Hungary and the host country plays an important part in the relationship of emigration to Hungary. The Hungarian People's Republic recognizes and holds in respect the citizenly loyalty of those Hungarians living abroad. Besides the representatives of cultural, scientific and economic life, the Hungarian churches also have a major role in fostering ties.

In recent years, the breakdown of foreign-resident Hungarians by age has continued to change, but characteristically, even members of the third generation tend to accept their Hungarian descent, if in a different way from their parents and grandparents.

The Political Committee believes that to keep in contact with Hungarians abroad is a common duty of society. Now is the time to revise the established attitudes and reflexes in this field, and to create conditions for building contacts in compliance with international possibilities and domestic demands. The Political Committee deems it purposeful to interpret the relationship of Hungarian citizens, national minorities, the ethnic Hungarians of the neighbouring countries and citizens of other states declaring themselves to be Hungarians, to each other and to the parent country according to the same basic principles. This is the way of ensuring the harmony of domestic and foreign policies and the treatment of related tasks as an integral whole. The state, governmental and non-governmental agencies, organizations and movements have to share in the work towards this end.

The Political Committee stated that the press faces great responsibility in creating a realistic picture about Hungarian emigration in domestic public opinion.

The Political Committee proposes that state bodies should adopt measures that will promote cultural, economic, scientific and personal relations between Hungary and Hungarians living abroad.

On reviewing the political red-letter days in the first half of 1989, the Political Committee expressed agreement with the idea of marking the March 15 anniversary of the 1848-49 Hungarian revolution and war of independence with a rally organized by the Communist Youth Union and the Patriotic People's Front, a youth mass demonstration and wreath-laying ceremonies. It recommends the holding of commemorative events throughout the country, with the party bodies taking part in their organization.

Trade Minister, EC Official Comment on Talks

LD1312221288 Budapest MTI in English
1839 GMT 13 Dec 88

[Text] Budapest, December 13 (MTI)—The session of the Hungary-EEC joint committee ended in Budapest on Tuesday.

During the day, Willy de Clercq, member of the EC Commission in charge of external relations, met Peter Varkonyi, Hungarian minister of foreign affairs. In the course of cordial talks, they stressed the importance of the EEC-Hungary accord on trade and economic cooperation, including the establishment of diplomatic ties and the creation of official contacts with the European Parliament. The parties discussed topical questions of pan-European cooperation, and expressed the hope that the Vienna Conference on European Security and Cooperation would come to a successful conclusion as soon as possible.

Talking to foreign journalists after the session, Tamas Beck, minister of trade, pointed out that the agreement, which came into force a little less than two weeks ago, was highly favourable to Hungary, offering it far greater opportunities than other socialist countries. However, the agreement means above all an opportunity to be tapped by Hungarian companies. there also are several tasks awaiting solution, and the experts taking part in the work of the joint committee will have important duties to meet in the future. Examples are the setting up of a Hungarin representation with adequate workforce in Brussels and the opening of a permanent EEC representation in budapest. The Hungarian proposal to establish an agricultural working group for the elimination of problems related to agricultural trade in the long run met with agreement at the session. Also, working committees are to be formed to promote cooperation projects and ensure conditions for trade promotion work.

Willy de Clercq stressed that not even after the intensification of international integration in 1992 will the EEC turn its back on outsider countries, as the EEC accounts for about 20 per cent of world trade. Ten per cent of the gross national product is derived from exports. The ratio is considerably higher for certain member countries, reaching as much as 60 per cent in Belgium. In this way, the further expansion of commercial links is an important prerequisite for the development of the community. Otherwise, the Common Market offers more promising prospects for outsiders, including the CMEA countries, after the deepening of integration. As the principal markets of the EEC are becoming increasingly packed, it is turning toward regions with plenty of untapped trade opportunities. Eastern Europe is one of these areas. For this reason, the EEC delegation was accompanied by a smaller delegation of businessmen, who met Hungarian company managers during the session of the working committee. In spring, 1989, the visit of a large group of EEC businessmen to Hungary is expected to promote the expansion of business links between the EEC and Hungary and enhance the interest of foreign investors towards Hungary.

EEC Delegation Departs

LD1312233888 Budapest MTI in English
2139 GMT 13 Dec 88

[Text] Budapest, December 13 (MTI)—On Tuesday, the Common Market delegation, headed by Willy de Clerq, member of the EC Commission in charge of external

relations and trade agreements, left Budapest after attending the founding session of the Hungary-EEC joint committee on trade and economic cooperation. The Hungarian negotiating group was headed by Tamas Beck, minister of trade. The parties agreed to hold talks at the interval of the annual joint committee sessions on the granting of allowances and possible tariff reductions in agricultural trade. [sentence as received] A year's working schedule was adopted on the development of economic, technical and scientific cooperation.

During his visit to Budapest, M. De Clerq met Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party, Miklos Nemeth, chairman of the Council of Ministers, and Peter Varkonyi, minister of foreign affairs.

Editorial Comments on Gorbachev's UN Speech
AU1312152288 Budapest MAGYAR HIRLAP in Hungarian 9 Dec 88 p 3

[Unattributed editorial: "Asymmetry"]

[Text] In international diplomatic jargon, the expression "unilateral measures" generally has a pejorative connotation, because it means that one is doing something without coordinating this with someone else, or some other people, and this measure affects several people and might even force them to come up with countermeasures. However, the announcement made by Mikhail Gorbachev on the rostrum of the United Nations the other day gave a new and positive meaning to this expression. Such a unilateral step not only does not contradict anyone's interests, but is also globally useful, and thus it is also worth following.

Here we mean Gorbachev's announcement, according to which the Soviet Union will unilaterally reduce its Armed Forces and their weapons, and not only to some sort of symbolic extent, since the "streamlining" of the Soviet Army affects 500,000 troops. In this framework, and in agreement with the allied countries in the Warsaw Pact, Soviet troops stationed in the GDR, the CSSR, and Hungary will be reduced by 50,000 men and 5,000 tanks. The remaining troops will be reorganized in such a way that they will carry out clearly defensive tasks.

This grandiose gesture logically follows from Gorbachev's diplomatic credo which he again expressed in his latest speech at the UN General Assembly. Let us quote only a few basic thoughts from this new way of viewing things: "Today, the world can progress toward a new world order only with the agreement of the whole of mankind.... International relations should be made free of ideology.... Nowadays, force and the threat of force cannot be means of foreign policy.... All countries, primarily the strongest ones, should be required to voluntarily restrict themselves, and completely exclude the use of force...."

Well, the Soviet leader supported these words with deeds. He also announced that the Soviet Union is taking steps to gradually reorganize its military industry to serve peaceful purposes. This is perhaps an even more important announcement than the reduction of troops and, if implemented—under conditions of a mutual implementation, naturally—this would open up great prospects for mankind. Think of the huge resources that would be released to increase the peoples' welfare and avoid the prevailing global ecological threat.

A reduction of the pressing military burdens would also enable the better and more humane handling of another serious problem of our age, namely, the intolerably high debts of the developing countries. Gorbachev pointed out that it is impossible to force these countries to repay their debts under the original credit conditions. Gorbachev added credibility to his words by announcing that the Soviet Union was ready to extend the moratorium on debt repayment by the least developed countries by as much as 100 years, or even to completely cancel these debts in many cases.

One could say that it is easy for Gorbachev to speak about this, because the developed capitalist countries are the world's greatest creditors, while the Soviet Union is less interested in this matter. This is not exactly true. At least a dozen developing countries owe many billions of U.S. dollars to the Soviet Union, and the Soviet Union would definitely make good use of this money to accelerate its process of restructuring. Nevertheless, the Soviet Union proclaims patience and is also ready to exercise patience.

Gorbachev did not make this unilateral disarmament dependent on anything, not even on the acceleration of the MBFR negotiations in Vienna, negotiations that have been dragging on for the last 15 years. This forum will remain open, and the Soviet Union and its allies will continue their efforts to reduce the huge arsenal deployed in Europe to the lowest level possible. Western negotiating partners in Vienna have been pushing the principle of asymmetry for years, claiming that the Warsaw Pact has considerably more troops, tanks, and airplanes, and thus the Warsaw Pact should reduce its military forces to a greater extent.

Well, the Soviet Union has now made a step toward reducing this asymmetry. However, following Gorbachev's announcement, the NATO spokesman first noted that "the Western alliance expected a larger reduction." Complete unilateral Soviet disarmament, perhaps? This, of course, is out of the question, as mutual disarmament is mandatory in such a case. However, the opinion of the aforementioned spokesman according to which the Soviet step will have an encouraging effect on the further development of East-West disarmament talks, is more promising.

If this is all he has been able to achieve, it has already made it worthwhile for Gorbachev to visit New York and "submit" himself to a unilateral step....

ROK 'Representation' Head Presents Credentials

LD1212214288 Budapest MTI in English 1901 GMT 12 Dec 88

[Text] Budapest, December 12 (MTI)—On Monday, Foreign Minister Peter Varkonyi received in his office Han Taek-chae, head of the permanent representation of the Republic of Korea in Budapest, who presented his mandates.

Economic Chamber Official on Trade With Israel

AU1312184488 Budapest MAGYAR HIRLAP in Hungarian 9 Dec 88 p 7

[Article by Peter Lorincze, general secretary of the Hungarian Economic Chamber: "It Is Worth Engaging in Bilateral Trade—Hungary, Israel Getting Acquainted"]

[Excerpts] Hungarian-Israeli trade last year amounted to $23 million, with Hungarian exports making up $14 million and our imports $9 million. There were few finished products on either side of our turnover. A considerable proportion of our exports is made up of oilseeds, metallurgical and aluminium industry products, synthetic materials, chemical products, and various electric bulbs. The majority of our imports is made up of pesticides, computers, synthetic fibres, and basic pharmaceutical materials. Therefore, both sides are justified in not being satisfied with this turnover. Raw materials make up 56 percent of the Hungarian exports and 71 percent of our imports.

All this is understandable from a certain point of view. The 2 decades of "trade pause" forced the enterprises to encourage the exchange of neutral materials. The two sides refrained from more complex cooperation including service-intensive machine exports. The business atmosphere between the two countries slowly started to change in the first half of the eighties. The large Hungarian Tungsram advertisement boards have become a natural part of the decorations on the streets of Tel Aviv, and some Hungarian cooperatives are increasing their agricultural achievements with the help of Israeli-made irrigation systems. Israel's Industry and Commerce Minister Ariel Sharon visited Hungary this year, and 14 Israeli enterprises participated at the Budapest International Fair in the Spring of 1988. A large-scale exhibition of Hungarian goods was held in Tel Aviv this year, and the Federation of Israeli Commerce Chambers is expected to present its enterprises' offers in Budapest in April 1989. [passage omitted]

The majority of the Hungarian machine industry and processing industry enterprises have not yet succeeded in penetrating the Israeli market. The Hungarian exporter finds himself hindered by two obstacles: customs and the licensing procedures. [passage omitted]

I recommend for the Hungarian enterprises to make use of the assistance provided by our Economic Chamber or the commercial experts of our office that represent our interests, and to obtain preliminary information concerning their marketing opportunities in Israel. [passage omitted]

FRG's Genscher Arrives on Working Visit

LD1412120888 Budapest MTI in English 1127 GMT 14 Dec 88

[Text] Budapest, December 14 (MTI)—Hans-Dietrich Genscher, foreign minister of the FRG, arrived in Budapest for a one and half-day visit on Wednesday. In the morning he is meeting his Hungarian counterpart Peter Varkonyi.

This is Mr Genscher's second official visit to Hungary this year and he is meeting Mr Varkonyi for the seventh time. The agenda of (?the talks) includes the international situation with particular regard to the assessment of East- West relations, the issue of disarmament and Hungarian-FRG bilateral relations. A draft agreement is expected to be signed to codify the present practice of regular consultations of the two foreign ministers.

According to journalists, during his current visit Mr Genscher is to prepare agreements on roads, environmental protection, labour-management, tariff and tourism and mutual recognition of qualifications. His talks will touch upon the issue of the Hungarian Institute to be opened in Stuttgart and the opening of a FRG Consulate General in Hungary and a Hungarian Consulate General in the FRG.

The FRG market accounts for 30 per cent of Hungary's hard-currency exports and 10 per cent of the country's total exports. There are 51 Hungarian-FRG joint ventures in Hungary. This year Hungarian exports to the FRG rose 15 per cent while imports declined by 8 per cent.

Agreement Signed With British Stock Exchange

AU1412105488 Budapest MTI in English 1619 GMT 12 Dec 88

[Text] Budapest, MTI, 12/12/1988—On Monday an agreement was signed in Budapest by Jeffry Knight, acting manager of the London Stock Exchange, and Zsigmond Jarai, president of the Hungarian Stock Exchange Council, on cooperation between the two institutions.

Under the agreement, the Hungarian party can take over experience for the operation of the Hungarian Stock Exchange, including the regulations of the London Stock Exchange, and the commercial system of the securities market which was radically reformed two years ago. Cooperation promises to be very useful also for the training of Hungarian experts.

According to Jeffry Knight, the Stock Exchange would increase the confidence of foreign investors in Hungary.

Demonstrations Held on Martial Law Anniversary

Protests at Warsaw University

LD1312180188 Warsaw Television Service in Polish 1700 GMT 13 Dec 88

[Text] The seventh anniversary of the imposition of martial law in Poland became the pretext for students of Warsaw University to organize an antigovernment demonstration. The demonstrators had already begun to gather on the university grounds this morning. Many of them had banners calling for the reactivation of the Polish Socialist Party [PPS], the Independent Student Association [NZS] and criticizing the decision to impose martial law in 1981. At about 1400 [1300 GMT] during a rally, some participants attacked with stones and metal objects the militia detachments which were keeping order in the vicinity of the university. The militia did not respond to these provocations and did not use force. The demonstrators began to disperse in the evening. Many of them participated in the evening service in the nearby Church of the Holy Cross.

More on University Unrest

LD1312171988 Warsaw Television Service in Polish 1615 GMT 13 Dec 88

[Text] Broken windows in passing cars, stones on the street: in such a way the 13 December anniversary was celebrated in the vicinity of Warsaw University. Whom is it meant to serve? Surely not Solidarity, not Walesa and not the students. [video shows a gate at Warsaw University with students with scarves around their faces throwing stones and carying banners saying "There is no freedom without Solidarity" and chanting slogans]

Item Citing TV Report Killed

LD1412000188 Warsaw PAP in English 2131 GMT 13 Dec 88

[PAP kills the following item in a service message at 2327 GMT on 13 December]

[Text] Warsaw, Dec. 13—In its prime time news bulletin today Polish television showed shots from rallies and street demonstrations staged today in several Polish cities including Jastrzebie, Wroclaw and Warsaw.

Demonstrators taking part in the rally near Warsaw University acted in a particularly aggressive way, hurling stones and metal rubbish at police.

In its commentary, Polish TV said that while more and more people in Poland are speaking about argeement, some others start brawls which do not serve this agreement.

Slogans Shouted, Militia Man Hurt

LD1312200288 Warsaw Domestic Service in Polish 1800 GMT 13 Dec 88

[Text] [Begin recording] [Unidentified correspondent] The center of the student village, Marie Curie Sklodowska Square. Student youth from the Marie Curie Sklodowska University and Lublin Catholic University are gathered here. [chanting: There is no freedom without Solidarity] [Unidentified voice speaking over loudspeaker] Let us reject all the slogans, like: One authority, one party, one enterprise, one trade union in each enterprise. There will be as many of them as we like. [applause]

[Correspondent] I am reading the students' calls: Our aim is independence and solidarity—the youth of the Independent Students Union [NZS] of Marie Curie Sklodowska University. [chants: NZS, NZS]

[Correspondent] War is continuing between the authorities and the nation: Signed by the Confederation of Independent Poland, the NZS in student solidarity, and the NZS of Marie Curie Sklodowska University. [chants: Solidarnosc]

[Correspondent] The assembled youths have moved from the Marie Curie Sklodowska monument to Raclawickie Avenue, close to Lublin Catholic University.

[Unidentified voice speaking over loudspeaker] The Civic Militia wants the highway cleared [Chants: Come with us] [end recording]

[Announcer] Students of Warsaw University also organized a rally today. At 1600 our correspondent was outside the gates of the Education Institute.

[Begin recording] [Correspondent] The university gates are closed. Inside, there are groups of students, and many signs on scaffolding against the university building. For example: There is no freedom without Soldiarity; Free and in Solidarity; Solidarnosc of the Interenterprise Workers' Solidarity Committee; Fighting Solidarity; and Democratic Revolution of the Polish Socialist Party. Under the eagle symbol on the university is a huge Solidarnosc sign. Many people have gathered on the sidewalks. Many militia vehicles are close by.

Did you have to intervene here today?

[Unidentified voice] We have not intervened. (?It passed off peacefully) [words indistinct] We stood here, loyally. No, the students attacked us. But you see, sir, [words indistinct]

[Correspondent] Can you tell me where the stones on the street came from?

[Unidentified voice] From the Warsaw University area.

[Correspondent] They were thrown?

[Unidentified voice] Yes. Not only stones. Let me show you, sir. I realize this can't be seen through a microphone, but please...a militiaman was hit on the temple with this with such force he had to be taken to the hospital. [end recording]

Warsaw Demonstrators Detained

LD1412105988 Warsaw PAP in English 0037 GMT 14 Dec 88

[Text] Warsaw, Dec. 13—Attempts to stage illegal demonstrations which turned into street brawls competing in primitive, often offensive slogans, were made in several Polish cities today just as it had been earlier announced. The organizers revealed their identity by writing on the streamers: "KPN" (Confederation of Independent Poland), "NZS" (Independent Student's Union), "Extremist Branches of Solidarnosc."

In Warsaw: a rally began here in front of the main university gates at 13.30. The slogans, seemingly balanced, demanding the legalisation of Solidarnosc, pay increases, etc., were soon replaced by an appeal: "Mutinous Students Will Be Out in Streets to Mutiny Warsaw," "Let's March to Belvedere." A noisy group waving KPN-logoed placards ventured to pass to the Copernicus monument. At this stage placards reading "Gestapo," "Down with commune" could already be seen above the crowd's heads. There was a melee with the policemen who found themselves not only under a hail of rude words but also stones, thunderflashes, smoke candles, and heavy hubs. Several policemen were injured and a number of the most aggressive demonstrants were detained. The rioters were asked their identification documents and only then order was restored in the university area.

Lublin: Some 300 people gathered to take part in a student demonstration previously announced by the KPN and the NZS. Having reached the monument to Maria Shklodowska-Curie, the demonstrants unfolded banners which read: "Independence is our goal," "There is no freedom without Solidarnosc," "Long live free, independent repubic." KPN representative Dariusz Wojcik told these gathered that martial law actually continued till now. Former Solidarnosc activist Zbigniew Lupina went even further saying that martial law in Poland has continued since July 22, 1944, because this is not a normal Polish state.

After this "warm-up" speech, the continuing demonstration produced anti-state and anti-Soviet slogans including such as: "Down with commune," "Down with Soviet occupation." A group of demonstrants moved up to the main traffic artery of the town called Aleje Raclawickie. They threw leaflets and provoked forces of law and order with offensive chants. The police did not interfere confining themselves to calls for order. The political adventure ended within one hour.

Krakow: A meeting was held near the monument to Adam Mickiewicz at the main market square here at 17.30, organized by the KPN, the so-called Confederation of Fighting Youth, and activists of the former Solidarnosc. About 1,500-2,000 demonstrants walked towards the former Solidarnosc regional headquarters chanting slogans which called for fighting communists. They jammed the city's main transit street for a long time but law enforcment units did not interfere.

Wroclaw: Illegal demonstrations in this city were staged with the participation of activists of the "Fighting Solidarity," the "NZS," and the "KPN." "Down with commune" was chanted. After the rally a procession formed in Swidnicka Avenue and it passed along the city's main streets towards the former Solidarnosc office. Most of the participants were young people, confused and susceptible to provocative calls. The demonstrants stopped traffic in the city centre for quite a while during rush hours when thousands of people travel home from work. Among those rallying and speaking were Wladyslaw Frasyniuk, Jozef Pinior, and Andrzej Gwiazda who called for a tough struggle against the communists. Law enforcment stood by.

The Poland of today is different from the Poland of 1981. But the organizers of street provocations are the same, chanting slogans full of hatred. Those young people who cast stones, and especially those who incited them, know full well that such adventures hit out at the idea of agreement. They hit out at the "round table" at which the dispute over our common Polish worries is to be held. The opponents of national agreement have again shown their true faces.

None of the noisy slogans managed to attract crowds. Many onlookers in Warsaw, Wroclaw, Lublin, and Krakow opined that the rallies resembled those of 1980 and 1981. Where do they lead to, they asked with concern.

Polish TV main news bulletin today showed clips from the rallies and street demonstrations staged in several Polish cities. The newscaster commented that while the majority of Poles speak of agreement there are few who incite riots harmful to that agreement.

Lublin, Krakow Demonstrations

LD1312203088 Warsaw Television Service in Polish 1830 GMT 13 Dec 88

[Excerpts] [Announcer] Since 1981, since the ninth party congress, national accord has been political topic number one in Poland. Despite all the difficulties and holdups, we have never heard that this idea had been rejected. Even in the famous speech 7 years ago, there was mention of accord, of assuring the essential conditions for discussion, for implementinig the policy leading to social concord.

What is the political balance of those 7 years? There is an increasing number of associations, clubs, and societies of all shades, operating legally, and publicly proclaiming their views, even in their own publications. Social consultations have been completed on the State-Church Bill on Associations. The acts on economic activity and companies with foreign participation are before the Sejm. If approved they will revolutionize the economy; they will guarantee freedom, liberty of initiative. Finally, the Miodowicz-Walesa debate and public pronouncements of people with various orientations seem to show that accord is closer than ever; that the roundtable will not just be another idea, but will become a political reality.

Unfortunately, the political wisdom of the many is accompanied by a lack of that wisdom in some: The fewer, the noisier. [passage omitted: report on Warsaw student demonstration]

[Announcer] This bolt was brought into the studio from the street by our correspondent. Bolts like these were thrown at the Militia—and not just at the Militia. There were also demonstrations today in Lublin and Krakow.

Wroclaw Students, Solidarity Leaders

LD1312232688 Warsaw Domestic Service in Polish 2200 GMT 13 Dec 88

[Text]) [Unidentified correspondent] At 1500 today, a demonstration, made up mostly of students, started off from Wroclaw University. On their banners were slogans on legalizing the Independent Students Union [NZS] and Solidarity. The marchers moved toward the market area, where other groups of demonstrators joined them. Leaders of the opposition were waiting there, including Wladyslaw Frasyniuk and Andrzej Gwiazda, who arrived from Gdansk.

[Begin recording] [Unidentified voice over megaphone] In 1980 we specified our standpoint. We told the commune the principles we agreed on to tolerate it. These principles were broken. Whether we now agree to tolerate it on the same principles or on others is a decision dependent on us. [chants of: "Commune out, commune out"] It is we who will decide what Solidarity will be like, who will hold power therein, and in what direction to go.

[Second unidentified voice over megaphone] And so friends, let's build a strong Solidarity, and then they will come with a plea for us to register. They'll come to us, they'll come to us. [Words indistinct] with a request that we agree to register. [chanting by crowd] There is no freedom without Solidarity; there is no freedom without Solidarity; there is no freedom with Solidarity. [end recording]

[Correspondent] The march, controlled by NZS stewards, marched through the streets of the town toward the former headquarters of Solidarity in Mazowiecka Street. Traffic was halted, and on certain street sections militiamen regulated the flow of vehicles. After listening to anniversary speeches, the demonstrators dispersed to their homes without disturbing public order.

'No Support' for Demonstrations

LD1412110888 Warsaw Domestic Service in Polish 0600 GMT 14 Dec 88

[Text] The dividing line is being drawn ever more clearly for agreement, for dialogue, for constructive talks among Poles, writes TRYBUNA LUDU which, like other newspapers, informs us about yesterday's incidents on the streets of several Polish cities. On the other hand, unfortunately, TRYBUNA LUDU adds, are small numbers of young people being manipulated by experienced political players. They say no. No to agreement; no to the roundtable. It was they who yesterday carried the slogans: Away with communism—this was duplicated at every occasion—and: There is no freedom without Solidarity.

In Krakow, anti-Soviet slogans also were uttered. In Lublin, an activist of the former Solidarity charged that martial law in Poland has lasted 44 years already. In Warsaw, the disoriented youth shouted: To the Belweder Palace, in Wroclaw, Wladyslaw Frasyniuk, Jozef Pinior, and particularly rabidly, Andrzej Gwiazda—the same from 7 years ago—spoke to the rally.

TRYBUNA LUDU notices that in Gdansk this time, there was peace, in principle. Parish priest Jankowski threatened not to give financial support from the parish in the event of (?fines) from the misdemeanor courts. As before, Janusz Onyszkiewicz condemned Sunday's excesses at the second Militia station on Piwna Street.

One thing is certain, the newspaper stated. The organizers and ringleaders of Tuesday's demonstrations in several cities did not meet with a mass response. There were those who gaped, but there were no supporters. There were excesses from which certain Western journalists will (?live) for several days. There was no support.

Papers on Anniversary 'Incidents'

LD1412142388 Warsaw PAP in English 1258 GMT 14 Dec 88

[Text] Warsaw, Dec. 14—Today's press comments on incidents that took place in several Polish cities on the 7th anniversary of the proclamation of martial law.

The RZECZPOSPOLITA government paper wrote i.a.:

"Saying recently in Paris that something good starts taking place in Poland, perhaps too slowly and too little but one cannot lose this chance, Walesa spoke of our common homeland and the need for compromise solutions.

"He came out for agreement and peace solutions in tune with the law, reached legally. Onyszkiewicz told the Western press that former Solidarnosc leaders dissociated themselves from street excesses and slogans hitting out at the union...

"The ability to make a concrete and honest analysis of political and economic processes taking place now in Poland and of their revolution is not a strong point of all those who want to join public life. This is shown by demonstrations and primarily by disturbances and excesses that took place again in the streets of Warsaw, Lublin, Wroclaw and Krakow December 13.

"The programme of confrontation, street confrontation, is a lost programme. And this is so not only because that it ignores the realities of today's Poland and all historical experiences but primarily because it has no social support," RZECZPOSOLITA said.

The Polish Army daily ZOLNIERZ WOLNOSCI said this on the same subject:

"Even leaders of the former Solidarnosc firmly dissociated themselves from the latest excesses, although it was Solidarnosc slogans that were shouted out in the streets. But evolution seems to be meaningful. When Walesa and Onyszkiewicz so firmly dissociate themselves from yesterday's disturbances perhaps for the first time, they know what they are doing.

"Those who took part in these rows showed much less of this knowledge or none at all. What did they want to prove (and perhaps they proved). Let us not hesitate to answer this question. They proved one thing, namely, political stupidity. And this will be how even Western journalists, thirsty for sensation of all kinds, will size up the latest events. What was taking place is no political sensation. At most, this is the most common hooligan brawl, to which political characteristics are tried to be imparted at any price," ZOLNIERZ WOLNOSCI said.

The popular Warsaw daily ZYCIE WARSZAWY has the following comment on street incidents:

"Even politicians of these Western countries that still not so long ago showed prejudice against the authorities of people's Poland deem Poland the most democratic country in Eastern Europe. This is determined not only by the developed system of the protection of civic rights and freedoms but primarily by practice.

"The openness of socio-political life recently manifested itself by the public discussion of the head of the 'official' trade unions with the chairman of the formally illegal but after all perceived opposition. The latest events and particularly statements by Lech Walesa in Paris point to the fact that a meeting of the authorities with constructive opposition and other social forces at the round table is a real thing.

"Thus, young street 'politicians' do not act in the interests of not only the entirety of society but even in the interests of constructive opposition. Do they know that by street brawls they support anti-reformatory forces and do they certainly mean this." ZYCIE WARSZAWY asked.

The PUWP daily TRYBUNA LUDU has this to say on street incidents:

"One thing is certain, namely, that the organizers and ring-leaders of Tuesday demonstrations in several cities did not draw a mass response. There were onlookers but no followers. There were excesses on which some Western journalists would live for a couple of days but no support.

"Is this an optimistic signal that these who even sympathize with the opposition set their hopes on the adjective: constructive," TRYBUNA LUDU asked.

Accord, Renewal Opponents Rebuked

LD1312201888 Warsaw Domestic Service in Polish 1800 GMT 13 DEC 88

[Text] [Announcer] Not for the first time, just when we need calm dialogue—talks on matters that are most important for Poland and Poles—there appear people for whom the calling forth of tensions and disturbances is necessary for the implementation of their own interests, aims, and ambitions. For the most part they are invisible. They hide behind the backs of those who demonstrate in the streets at their persuasion, and raise antisystem, antiparty or antigovernment slogans. They also shout slogans on freedom, the need for reforms, about the necessity of leaving the crisis behind, about all that which may be gained only through the joint efforts of all society—not through shouting, but through work. Do they serve the cause of accord, the cause of the renewal of our sociopolitical life, the cause of the necessary cooperation between all those living and working here?

Let every listener answer for himself, thoroughly, without sentiments and prior views: Just how necessary it is to do everything we intend to.

Strike at Ursus Factory Reported 13 Dec

LD1412111688 Warsaw PAP in English 0838 GMT 14 Dec 88

[Text] Warsaw, Dec. 14—The first shift stopped work at the Ursus factory of agricultural tractors near here yesterday morning. A group of about 100 persons demanded explanations on the drop in real wages as a result of progressing inflation, ZYCIE WARSZAWY reported today.

After giving explanations by the management of the factory on the policy of wages, pursued now and planned for the coming period, and changes in the organization of labour, work was resumed at noon.

Baka Receives 'Maltreated Reformers'

LD1212223988 Warsaw PAP in English
2057 GMT 12 Dec 88

[Text] Warsaw, Dec. 12—An unprecedented meeting took place in the building of the PUWP Central Committee here today. The Central Committee's secretary and member of its Political Bureau, Wladyslaw Baka, played host to people whose success in reforming the economy has been hindered by maltreatment, opportunism of decision-makers, bureaucratic barriers, other people's jealousy, and various sorts of cliquish combinations.

Let us recall that in October an encouragement was published in newspapers for people whose reformist initiatives had been stymied to write letters to the Central Committee. About 100 letters of this kind have been sent in, and 20 persons have been chosen at random from among the senders and invited for today's meetings.

Opening the meeting, Baka emphasized the importance for the reform of the climate created around people who act according to its principles and goals, brave people whose actions comply with the logic of the economy and the supreme targets of the reform. This climate is becoming especially important for us now, at the time of speeding up. Thus, recognizing the mechanisms which block the reform and their eliminating, promotion of business-like people are becoming one of the most crucial tasks of the party, Baka said.

The secretary assured the meeting that all letters forwarded to the Central Committee would be thoroughly analyzed.

New Undersecretaries of State Appointed

AU1212080988 Warsaw TRYBUNA LUDU in Polish
5 Dec 88 p 2

[PAP report: "Chronicle of Cadre Changes"]

[Text] On the recommendation of the minister of foreign economic cooperation, the chairman of the Council of Ministers recalled Helmut Floeth and Wieslaw Szymczak from their posts as undersecretaries of state in this ministry, and thanked them for their work. He appointed Stanislaw Amanowicz to take the place of one of the departing undersecretaries, and abolished the other undersecretary post, together with the post of director general in this ministry.

Stanislaw Amanowicz was born in 1940 in Radom, to a family of intelligentsia. He completed his higher education at the Moscow State Institute of International Relations, where he obtained a degree in economics. He commenced professional work in 1958 at the "Petrolimpex" state foreign trade enterprise, as an economist, after which he was a translator for the international supervisory and control commission in Vietnam. In 1967 he returned to "Petrolimpex," from which he transferred in the same year to the Ministry of Foreign Trade, in which he occupied a series of posts from senior adviser to departmental deputy director. In 1983 he became trade counselor at the Polish Embassy in Sydney. In 1988 he was deputy director of the department for foreign economic cooperation.

He is a nonparty member, married, with two sons.

On the recommendation of the minister of industry, the chairman of the Council of Ministers appointed Kazimierz Klek undersecretary of state in this ministry.

Kazimierz Klek was born in Glewa, Krakow Voivodship, in 1940, to a family of intelligentsia. He completed his higher education at the Silesian Polytechnic, where he obtained a degree in chemical engineering. He commenced professional work in 1962, holding responsible posts in the chemical industry, including director of an oil refinery in Czechoslovakia, director of the chemical apparatus plants in Gliwice, and director of the Mazowsze refining and petrochemical plant in Plock. From 1980-81 he was undersecretary of state in the former Ministry of Chemical Industry, and then minister of chemical industry.

In 1986 he became trade counselor and minister-plenipotentiary at the Polish Embassy in Rome, and then undersecretary of state in the former Ministry of Foreign Trade. In December 1987 he became director general of the Ministry of Foreign Economic Cooperation.

He is a PZPR member, married, with two children.

Ministry Protests SFRY Border Police Action

LD1312222388 Warsaw PAP in English
2101 GMT 13 Dec 88

[Text] Warsaw, Dec. 13—Head of the Consular Department of the Yugoslav Embassy here was summoned to the Foreign Ministry today in connection with reports concerning the assault on Polish tourists by Yugoslav police at the Bulgarian-Yugoslav border crossing.

Officials of the Polish Foreign Ministry pointed that the Yugoslav kind of conduct remained contrary to general norms of law and international customs. They stressed that the intention of the Polish side was not to throw shadow on the traditionally friendly relations between the two countries. However, the Polish side could not agree with this kind of treatment of Polish tourists.

France's Dumas Interviewed on Relations
AU0712161388 Warsaw TRYBUNA LUDU in Polish 5 Dec 88 pp 1, 6

[Interview with French Foreign Minister Roland Dumas by TRYBUNA LUDU correspondent Wlodzimerz Zralek: "Poland is in the Forefront of our Interest"—in Paris; date not given]

[Text] PPR Foreign Minister Tadeusz Olechowski paid an official visit to France on 1 and 2 December, the first such visit in the eighties. He was received by President Francois Mitterand who, in reply to an invitation contained in a message from Wojciech Jaruzelski, announced that he would visit Poland in the second half of next year.

After T. Olechowski's visit, which the Parisian press described as a sign of a "warm-up" in relations between Warsaw and Paris, French Foreign Minister Roland Dumas answered questions from a TRYBUNA LUDU correspondent:

[Zralek] What forms the basis of the orientation which you describe as a revaluation of France's relations with the countries of central and Eastern Europe?

[Dumas] France has many varied interests in these countries. Some of them are connected with history and culture. Others, more modern ones, involve trade and industrial cooperation.

Taking into account the changes taking place in the countries of central and Eastern Europe, France intends to intensify dialogue with each of them, adapting its presence to the new emerging needs.

Generally speaking, France has for as long time been calling for an end to the European divisions that date from World War II. France is animating its policy vis-a-vis central and Eastern Europe, and intends to reencourage progress in this direction. By expanding contacts, exchanging views, and cooperating with states and with societies, new links on a European scale will be established.

[Zralek] What status do relations with Poland enjoy in France's policy of "openness toward the East?"

[Dumas] Within the framework of the revival of France's relations with the countries of central and Eastern Europe, Poland is in the forefront of our interests.

Throughout history, both distant and recent, Poland has been a subject of great interest among the French public, and this interest has not diminished. Frenchmen are carefully monitoring the development of the situation in Poland. As you know, the French Government supports all the undertakings aimed at an authentic dialogue that will unite all Poles and enable them to overcome and eliminate the present difficulties, especially in the economic sphere. We hope that the "roundtable" meeting will take place soon.

Just like other socialist countries, Poland is experiencing a stage where its cultural, historic, social, and national characteristics are being confirmed. This can only facilitate the dialogue that we intend to pursue with your country.

This dialogue will develop at top level, now that the president of the French Republic has accepted General Jaruzelski's invitation to pay an official visit to Poland.

[Zralek] What were the most important topics of your talks with Minister Olechowski, and what results did you achieve?

[Dumas] Obviously, mutual relations occupied an important place. Minister Olechowski's visit was an opportunity to consider the forms and "rhythm" of the dialogue that we intend to intensify in accordance with the wishes of each side.

We reviewed the diary of political meetings at all levels. I welcomed Minister Olechowski's invitation for me to go to Poland next year.

Concerning cultural cooperation, many topics were discussed, especially the reception of a French TV channel in Poland. A group of French experts will soon go to Poland in order to discuss this matter. We also examined the extent of trade, which is disturbing. Ways of reversing the trends in this sphere were discussed.

We also examined other possible spheres of closer cooperation, especially education, health protection, and culture. Our Polish interlocutors suggested an expansion of youth exchanges and French involvement in the training of Polish economic management cadres.

We also discussed Europe's future and the importance which we attach to preventing another "crack" in the economic and scientific sphere.

I told Minister Olechowski about our constant interest in Poland and its efforts to overcome the present difficulties.

The official visit to France by Tadeusz Olechowski was an important contribution to the search for new paths of cooperation. This visit clearly ended on a positive note. It achieved results which were expected by Poles and Frenchmen.

GNA Adopts Socioeconomic Plan for 1989

AU0512200788 Bucharest SCINTEIA in Romanian 2 Dec 88 pp 1, 2

["Law on National Uniform Plan of Socioeconomic Development of the SR of Romania in 1989"; adopted by the Grand National Assembly in Bucharest on 1 December]

[Text] The Grand National Assembly of the SR of Romania adopts the following law.

Article 1—The national uniform plan of socioeconomic development of the SR of Romania for 1989 is adopted.

The main indicators of socioeconomic development of the SR of Romania are as follows:

Percentages calculated on the basis of prices on 31 Oct 1988

No	Indicator	Increase compared to 1988
1.	Social product	5.5 - 6.5
2.	National income	8.9
3.	Industrial production	
	—commodity production value	6 - 7
	—net production value	9 - 10
4.	Agricultural production	
	—overall production value	5.0 - 5.5
	—net production value	6.0 - 6.5
5.	Total investments in the economy	4 - 5
6.	Foreign trade volume	7 - 8
7.	Manpower	0.6
8.	Labor productivity in the national industry (calculated on the basis of the commodity production value)	7 - 8
9.	Reductions in expanditures per 1,000 lei of commodity production in the national industry—lei	35
10.	Remuneration of working personnel	5.6
11.	Peasantry's income from work in agricultural production cooperatives and private farming	2
12.	Retail sales	1.0 - 1.5
13.	Public services	8 - 9

The Council of Ministers will take steps so that the ministries and other central and local bodies ensure:

a) fulfillment and overfulfillment of production tasks, a smooth flow of the item-specified production, and the further improvement of structural ranges, with a view to manufacturing products with high technical, functional, and economic parameters that make better use of the resources of raw and other materials, fuel, and energy and can compete in foreign markets; fulfillment of the item-specified production earmarked for export, under high-quality conditions and within the deadlines envisaged in the contracts concluded with foreign partners;

b) observation of plan discipline and enhancement of control over the production process—from the conclusion of contracts, technological preparatory work, the start of production, and securing supplies and the necessary manpower up to the actual manufacture of products and their delivery to domestic and foreign markets—by strictly observing consumption norms and regulations for raw and other materials, fuel, and energy, in accordance with the provisions of the law.

The planning of the item-specified production, the distribution, contracting, and delivery of raw and other materials, fuel, energy, and all products, as well as their utilization in the entire national economy will be done exclusively on the basis of approved consumption and reutilization norms, in accordance with the provisions of the law;

c) fulfillment of tasks established per branch, ministry, central department, and enterprise—through programs on improving the organization and modernization of productive processes within approved economic-financial parameters— designed to: expand and strengthen socialist ownership; attain supplementary production by making full use of productive capacities; raise the technical and qualitative level of products; apply the socialist principle of remuneration in accordance with the quantity, quality, and social importance of the work done; develop workers self-management and strengthen self-financing; and substantially increase efficiency in the entire national economy. All units must base their work on programs for improving the organization and modernization of productive processes; the provisions of these programs are compulsory for all working people's collectives.

Article 2—In 1989, the process of implementing the new agrarian revolution and carrying out comprehensive and intensive development work will be continued and expanded in agriculture, a basic branch of the national economy.

The Council of Ministers will take steps to:

a) use intensively and fully the productive potential of the land, increase the agricultural area, primarily the arable area, implement the provisions of the national program for obtaining sure and stable agricultural yields, and ensure better territorial planning and organization;

b) substantially increase grain production; generally introduce strains and hybrids with a high production potential; strictly observe crop structures and the areas earmarked for each crop, on the basis of plan provisions;

perform agricultural operations on schedule and under optimal conditions; and administer chemical fertilizers and pesticides efficiently and rationally;

c) increase average and total animal production by increasing the number of livestock; improve selection and biological materials, by raising the birthrate; and apply scientific technologies for breeding and feeding livestock;

d) increase economic efficiency in all state and cooperative agricultural units; better administer material and monetary assets; reduce expenditures; and cut back on the consumption of raw and other materials, fuel, and energy.

Article 3—Scientific research, technological development, and the introduction of technical progress will have to make a substantial contribution to: implementing the programs on intensive development and improvement of the organization and modernization of productive processes; better utilizing raw materials; increasing the technical and qualitative level or production; reducing material and energy consumption; and rapidly raising labor productivity and the overall efficiency of production by:

a) developing and introducing new and modernized technologies on processing raw materials; taking into production new materials, machines, and installations with higher performance levels;

b) creating new strains of more efficient seeds and plants with better resistance to frost and drought, and a shorter growing span; developing new animal breeds with high productive potential and better feeding qualities as well as new feeding technologies for livestock;

c) improving the typification, standardization, and technical norm-setting of material and energy consumption, in order to raise the technical and qualitative level of production, increase the efficient functioning performance and durability of products, and enhance the efficiency of the entire economic activity;

d) organically blending basic and applied research and strengthening cooperation between research, education, and production, in order to actually put into production the projects elaborated by the activity of scientific research, technological development, and the introduction of technical progress, and to reduce the length of the research-design-production cycle.

Article 4—In 1989, the volume of investments will amount to 300 billion lei. Financial, material, and manpower resources will be used and concentrated on hastening the commissioning of investment projects now under way and on performing all major repair and general overhaul work, including the modernization of existing fixed assets, in order utilize our economy's productive capacities efficiently and safely. Work may begin on new projects only after technical-economic and execution blueprints have been approved, in accordance with law provisions.

Investments will mainly be allocated for implementing modernization programs and supplying factories with new machines and equipment of a high technical level, while substantially reducing the proportion of construction projects in the overall investment effort.

Investment funds will be allocated for: expanding the energy and raw materials base; implementing the program to improve the organization and modernization of productive processes and the programs for land improvement, agricultural mechanization, and the development of other agricultural sectors; improving the technical and qualitative level of products and reducing the consumption of raw materials, fuel, and energy; making better use of recoverable and reusable resources; introducing new products into the production flow; and increasing labor productivity and the competitiveness of Romanian products on foreign markets.

Article 5—In order to secure the material base of the plan and a better supply of raw and other basic materials, the Council of Ministers will take steps to:

a) intensify the use of domestically produced raw and other materials; more markedly reduce energy and fuel consumption in all fields of activity; strictly limit the consumption of liquid hydrocarbons and replace them with other energy resources; reduce technological losses and expand heat recovery and the use of new energy resources; strictly observe consumption norms and regulations as well as prescribed stocks of raw and other materials, containers, fuel, and energy; and increase the contribution of reusable materials to meeting national economic requirements for raw materials, by intensifying their recovery and use;

b) set up, in accordance with legal provisions, the centralized stock of raw and other materials, fuel, and electric power, made up of domestically produced items, recoverable and reusable materials, and imported products.

The distribution of the central stock of raw and other basic materials is done every month by State Council decree, on the basis of consumption norms envisaged by plan and of production or activity levels at a given time.

In allocating raw-material resources, one should ensure the necessary quotas for the full use of domestic productive capacities; export quotas can only be envisaged after domestic requirements have been satisfied.

The release of raw and other materials, fuel, and energy for consumption purposes is done separately for domestic and foreign markets, on the basis of contracts concluded with domestic and foreign customers.

Nonobservance of contracts, of consumption norms and regulations, and of stock provisions, as well as any change in the destination of the production and other resources will be punished in accordance with the provisions of the law.

Article 6—In the national industry, labor productivity will increase by 7 - 8 percent and production costs per 1,000 lei of commodity production will be reduced by 35 lei.

In order to substantially increase economic efficiency in all branches and sectors of activity, the Council of Ministers will take steps to implement the program for markedly increasing labor productivity and improving the organization of and norm-setting for work, as well as the programs for reducing production costs and material expenditures, for organizing and modernizing production processes, for improving the credit and financing system of economic activity, and for perfecting economic-financial norms.

Steps will be taken to ensure that each economic unit firmly applies the principles of workers self-management and economic-financial self-administration and self-financing in order to implement a strict system of savings in all sectors; likewise, all units should ensure, within the limits of their own incomes and expenditures budget, that they can cover all expenses from their own resources and obtain maximum returns from each leu spent.

Article 7—In order to fulfill the foreign trade plan, the Council of Ministers will take steps to improve activities in this sector and expand production-sharing and cooperation with other countries, by ensuring that the ministries, other central and local bodies, central departments, and enterprises increase their efforts to:

a) canvass foreign markets and conclude contracts with foreign partners on the entire volume of exports and imports, under conditions of high efficiency; secure the commodity fund earmarked for export by manufacturing products on time and in accordance with structural ranges and technical and qualitative levels stipulated in contracts with foreign partners; manage with maximum efficiency the hard currency funds allocated to each ministry for financing imports;

b) diversify marketing forms and expand markets; fulfill all international economic and technological cooperation ventures;

c) secure the necessary manpower and equipment for finishing construction-assembly work abroad on schedule and under competitive conditions; promote the export of blueprints, technical documentation, and know-how.

Article 8—The national income will ensure the necessary resources to further develop the forces of production and improve the people's material and intellectual living standard.

The Council of Ministers will take steps to:

a) fully implement provisions of the program on regional self-management and self-sufficiency, with a view to ensuring better public supplies of agricultural products, foodstuffs, and industrial consumer goods;

b) fully and regularly deliver to the people the goods envisaged by the plan and ensure that the products are of good quality and come in diversified ranges, so as to satisfy the demands of various categories of consumers;

c) expand public catering, by increasing and diversifying the production and marketing of cooked and semicooked food;

d) judiciously distribute public supply stocks throughout the country;

e) further improve and develop services, expand the range and network of public services, perfect their quality in accordance with the people's requirements, and efficiently use existing facilities and local manpower.

Article 9—Enterprises, central departments, ministries, and other central and local bodies will take steps to firmly apply the principles of the new system of remuneration and of distribution of the working people's incomes, by closely linking each working man's incomes to concrete results attained in his activity; likewise, steps will be taken to apply the overall contract system and piece-work system, as a basic form of remuneration in all economic units in industry, agriculture, construction-assembly, transportation, trade, tourism, scientific research, technological development, design, and other economic sectors.

Article 10—Measures will be adopted to further improve medicare and social assistance, by placing particular emphasis on preventing diseases, protecting the people's health, and raising the birthrate. Likewise, steps will be taken to improve our education system, train cadres to a high professional and technical level, and develop culture, physical education, and sports. Resolute steps will be taken to make maximum use of the material base of these sectors and to manage more efficiently the funds allocated for social and cultural activities.

Article 11—Firm steps will be taken to continue the unflinching implementation of the policy of rationally distributing the forces of production throughout the country, in accordance with the decisions of the 13th RCP Congress and of the Third Congress of People's Councils, in order to fulfill the targets of the national program on the systematization of the territory and of urban and rural localities.

Article 12—In 1989, 150,000 apartments will be commissioned, of which 40,000 apartments will be in villages.

Article 13—The Supreme Council for Socioeconomic Development will take steps to improve and guide the entire planning activity, increase the overall spirit of responsibility, and better check the application of laws and decisions, so that each ministry and central or regional body should commendably fulfill its duties and unswervingly implement all provisions of the plan and of other development programs. In this respect, the Supreme Council for Socioeconomic Development will examine and see to it that all item-specified tasks and value tasks of the plan are fulfilled and will take steps to mobilize existing reserves and efficiently administer all material, financial, and manpower resources, with a view to smoothly and integrally fulfilling the uniform national plan, achieving the stipulated development rates and proportions, and realizing the material, currency, and financial balance of the plan.

Article 14—The Council of Ministers will periodically examine the implementation of the uniform national plan and will exercise strict control over the manner in which established tasks are being fulfilled. Likewise, it will act resolutely to ensure optimal utilization of the economic potential of our country, most profitable management of the national wealth, and greater order and discipline in all fields of activity.

In this respect, the Council of Ministers will take steps to ensure that the ministries, other central bodies, the working people's councils in central departments and enterprises, and the Executive Committees county people's councils and of Bucharest Municipality People's Council fully implement the 1989 plan provisions. At the same time, it will take steps at all economic organizational levels to improve the planning and supervise the fulfillment of the item-specified production and exports, to commission new units and attain their planned parameters, to raise labor productivity and reduce manufacturing costs, to ensure the evolution of prices within planned limits, and to increase efficiency and profitability in all spheres of activity.

Article 15—The indicators of the national uniform plan for the socioeconomic development of the SR of Romania in 1989 will be specified in accordance with plan executors, under a State Council decree.

Article 16—The performance of the 1987 national uniform plan of socioeconomic development of the SR of Romania, adopted under the Law No 21/1986, is approved according to the communique of the Supreme Council for Romania's Socioeconomic Development, the Council of Ministers, the State Planning Committee, and the Central Directorate of Statistics on the fulfillment of the 1987 National Uniform Plan of Socioeconomic Development of the SR of Romania, published in the Official Bulletin, Part III, No 8 of 4 February 1988.

Law on Remuneration in Export Sector Adopted

AU0612203488 Bucharest SCINTEIA in Romanian 3 Dec 88 p 4

["Law on Improving the Remuneration System To Stimulate the Production Earmarked for Export and the Export Itself," adopted by the Grand National Assembly on 2 December in Bucharest]

[Text] Romania's increasingly active participation in the world economic circulation and in the international division of labor requires a continuous and steady expansion of the production earmarked for export and of the export itself, as well as an increase in the quality and competitiveness of Romanian products on world markets.

Enterprises with production earmarked for export are dutybound to take all steps to integrally fulfill the plan and contracts for export on schedule and to produce high quality items, with better technical and functional parameters and with low material and energy consumption, which can compete with the best world products from all viewpoints.

To this end, the productive units are obliged to take steps to better organize the production earmarked for export, allocate highly skilled working personnel to this activity, strengthen order and discipline, and exert an exacting control over the entire production flow.

In order to better stimulate the economic units and working people in fulfilling and overfulfilling export tasks, to increase overall economic efficiency, and to firmly apply the principles of the new economic-financial mechanism,

The Grand National Assembly of the SR of Romania adopts the present law.

Article 1—(1) Enterprises and industrial central departments with production earmarked for export will benefit from an increased remuneration fund, in accordance with the export production achieved for either destination, that is—for exports to hard currency markets or exports to socialist countries, on the basis of clearing.

(2) The supplementary remuneration fund to stimulate the production earmarked for export and the export itself will be set up for each enterprise and industrial central department and for their own working personnel or that of their directly subordinated subunits, whose plans include export production tasks; this fund will be set up in a differentiated way, for either of the two destinations, as follows:

a) 10 percent from the planned remuneration fund for the commodity production earmarked for export to hard currency markets;

b) 6 percent from the planned remuneration fund for the commodity production earmarked for export to socialist countries, on the basis of clearing.

Article 2—The supplementary remuneration fund for stimulating the production earmarked for export and the export itself, set up in accordance with provisions of Article 1, will be released by the banks on a monthly basis and it will be established in direct proportion to the degree in which the production earmarked for export and the export itself were fulfilled in either of the two destinations, after payment of the respective customs fees.

Article 3—(1) The entire personnel of an enterprise or industrial central department will benefit from the supplementary remuneration fund established in accordance with provisions of Article 2: workers, foremen, engineers, and technicians as well as other categories of personnel in sections, workshops, other productive sectors, and in research, technological engineering, industrial design, and other sections, including members of the management of enterprises, industrial central departments, and their component units, who contributed to fulfilling the production earmarked for export and the export itself.

(2) Individual sums paid out as incentives will be established in accordance with each working man's contribution to the results scored and will be approved by the executive bureau of the working people's council of a given enterprise or industrial central department, as the case may be, on the basis of proposals made by the management of sections, workshops, and other sectors and with the agreement of the trade union bodies operating at the respective level.

(3) Individual sums of money for managerial personnel in enterprises, factories, plants, or other component units as well as for the managerial personnel in industrial central departments will be approved by the hierarchically higher body, in accordance with the average percentage granted to the working personnel who contributed to fulfillment of export tasks in the two destinations.

Article 4—(1) The amounts designed as incentives for fulfillment of the production earmarked for export and the export itself will be paid in addition to the remuneration stipulated by the overall contract system and in addition to other pay rights established by the law.

(2) These amounts will not be included in the basic pay and will not be taken into consideration when establishing other law-bound rights and obligations, in accordance with various pay levels.

(3) The supplementary remuneration fund to stimulate the production earmarked for export and the export itself will be exempt from taxes on the overall remuneration fund and from other state social security dues envisaged by law.

Article 5—When export production tasks and the planned export are not fulfilled, penalties and cuts will be imposed on the overall remuneration stipulated by the overall contract system for all categories of personnel, in accordance with Law No 1/1986 on the working personnel's remuneration stipulated by the overall contract and piece-work system.

Article 6—The supplementary remuneration fund to stimulate the production earmarked for export and the export itself granted to each enterprise and industrial central department in accordance with provisions of Article 2 can be released by the banks in addition to the established remuneration fund, in keeping with law provisions; this supplementary fund will be drawn from the profits of each enterprise and industrial central department.

Article 7—The provisions included in Articles 1 through 6 also apply to enterprises and industrial central departments with plan-stipulated tasks for the delivery of raw and other materials, spare parts, and subassemblies which will be incorporated in the export production of other enterprises.

Article 8—The provisions of the normative documents mentioned in the annex are abrogated.

Annex

Provisions of Normative Documents That Are Abrogated

1. Provisions referring to pay increases or bonuses for personnel in enterprises and industrial central departments with production tasks for export, included in Article 27 paragraph (2), Article 44 paragraph (1), and Article 46 paragraph (2) of Law No 1/1986.

2. Articles 1 through 4 from the State Council Decree No 185/1987 concerning certain measures on raising incentives for working people and enterprises in the fulfillment of the production earmarked for export and the export itself.

U.S. Charges Against Bijedic 'Falling Apart'

AU1412141188 Belgrade POLITIKA in Serbo-Croatian 13 Dec 88 p 4

[D. Zupan report: "The Prosecution Has No Firm Evidence Against Bijedic?"]

[Text] Washington, 12 Dec—For the first time since the start of the American-Yugoslav affair, the defense has got the chance to speak, and this after the meeting on Friday between Michael Goody who is defending Bahrudin Bijedic, the SFRY Consul General, and the state prosecutor in Philadelphia.

In a telephone conversation which Goody and Bijedic had with the TANJUG correspondent on Saturday, they told me that the charges are increasingly falling apart and that in fact, apart from some falsifications, there is no real proof that Bijedic abused his diplomatic post and participated in the "laundering" of illegal money.

The Courier's Letter—A Forgery

Some things which until now have been surprising, and which have harmed our country and upset the public, are becoming clearer bit by bit. The lawyer Goody claims that there is no proof whatsoever that Bijedic issued a courier's letter for the diplomatic post carrier. Bijedic stressed that the American authorities are in possession of a forgery which does not correspond in the least to the usual Yugoslav form that is used for such purposes. On the aforementioned document there is no stamp which should have existed on the original Yugoslav diplomatic letter. Moreover, the forgery also has photographs of the carriers (Vjekoslav Spanjol and Hubert Cole), which is something that is not the case in our similar diplomatic documents. Also, Bijedic claims that his signature was forged because he always signs his name in Cyrillic.

According to the defense, the accusations—which were also published by the U.S. press, that the money, $0.5 million, was smuggled in a box which had a diplomatic stamp—fall by the wayside, as there were no stamps and no photographs of them either. This is claimed by the lawyer Goody who said that he asked the prosecutor where he got this information from and the prosecutor answered that he had heard about it from statements by Spanjol and Cole.

A "mistake" also exists concerning the date of the supposed courier's letter which was written on a typewriter whose typeface does not correspond to that of the typewriter that belongs to the consulate.

It seems that there are also many other inaccuracies concerning "the crowning proof" of the accusation. The letter had the heading of the State Department, when usually the heading "To whom it may concern" is used. Also, the numbers in the U.S. passports of Spanjol and Cole in the letter contain five and not six digits, which is the number that U.S. passports usually have.

One of the more serious accusations made by the lawyer Goody against the American investigative authorities is that a search was made of Bijedic's room in his Philadelphia hotel on 4 December and a document was stolen, which is a violation of American law.

According to the American lawyer, the whole affair seems to have been cooked up by Vjekoslav Spanjol and Hubert Cole. He described the former as "a professional thief" and the latter as a so-called expert in "laundering" illegal money, which is something he boasted about.

Goody says that Spanjol introduced himself first of all as a Yugoslav secret agent and then he later changed his "employer" and claimed that he was a American secret agent. As Goody says, now Spanjol is saying that he is Bijedic's secret agent. The lawyer thinks that these "two good-for-nothings," who were caught doing dishonest work even earlier, tried to "launder" themselves by involving someone else in their dirty deeds.

$2 Million

It appears that this also suited the secret agents of the U.S. customs who, as Goody said, spent $2 million of state money on this operation, but achieved nothing except catching two cheats.

That matters concerning the frame-up were not innocent at all is also proved by the fact that Spanjol, who attended the Republic Day reception in the SFRY General Consulate and spent the night in Bijedic's apartment, left two suitcases for Bijedic to "look after" before he left for Philadelphia. In a telephone conversation Bijedic said that the U.S. agents first rushed to his apartment to collect the two suitcases which Spanjol asked Bijedic to bring to the airport for him. It turned out that the suitcases contained heroin!

Bijedic did not take these suitcases to the airport, where he was allegedly supposed to meet some U.S. businessmen who, Spanjol said, were interested in building ships in Rijeka shipyard.

This fact most probably explains why the U.S. agents did not think it was necessary to wait for Spanjol to arrive in Chicago from Philadelphia with the money he was allegedly supposed to deliver for Bijedic to "launder," because they thought that the cases, which Bijedic was supposed to bring, would be sufficient "proof." Fortunately, Bijedic, as he said himself, did not take them with him.

The whole case is still not completely clear, but there are already some logical elements which lead one to conclude that somebody in the U.S. customs needed to fabricate a bigger "case" at a time when, as THE WASHINGTON POST claims, the commissioner of the

U.S. customs, William von Raab, is heading a campaign to become a coordinator the antidrug fight, with a ministerial position in the new U.S. Administration of President Bush.

Von Raab is accused by his subordinates of not having done much in the antidrug campaign, because illegal imports of drugs into the United States tripled during his term of office. They claim that his methods involved generating publicity and holding press conferences, rather than real work on preventing this social evil.

At one such conference concerning this affair, Von Raab sailed into the waters of politics and accused Yugoslavia of belonging to the East bloc and of "desperately trying to lay its hands" on U.S. high technology and hard currency.

Lawyer Michael Goody says that even U.S. journalists have become suspicious of the prosecution's proofs in this affair. He said that, as an American, he is personally ashamed of the methods and procedures which a U.S. Government department used to fabricate the case.

It remains to be seen what will be established at the forthcoming trial in Philadelphia, which will have to shed light on all other aspects connected with Vinko Mir, head of the New York branch of the Bank of Ljubljana, with the bank's business affairs, and with the nebulous spying affair involving the aforementioned Spanjol and Cole.

However, regardless of the outcome of the trial, it will be up to the U.S. Government to publicly explain the political consequences and damage which this affair has undoubtedly caused.

Dizdarevic Interviewed Prior to Visit to GDR

AU0912211688 East Berlin NEUES DEUTSCHLAND in German 7 Dec 88 p 3

[Interview with Raif Dizdarevic, chairman of the SFRY Presidium, in his office in Belgrade "shortly before his visit to the GDR," by NEUES DEUTSCHLAND deputy chief editor Dr Rolf Guenther, ADN deputy chief editor Gerhard Kowalski, and Dr Willfried Much, Belgrade correspondent for ADN and NEUES DEUTSCHLAND: "Disarmament—the Most Important Task of the International Community"]

[Question] Comrade Chairman, what expectations do you have regarding your forthcoming visit to the GDR?

[Dizdarevic] I am looking forward to visiting the friendly GDR and meeting with Comrade Erich Honecker. As has always been the case, it will provide an occasion to hold talks in the spirit of understanding and total frankness that is characteristic of our relations, on the development of bilateral cooperation, to consider opportunities for, and lay down the directions of, its continuation. Our relations have developed very successfully over the course of many years. We have developed them on the basis of mutual respect, bilateral interests, and of course with full respect for the special characteristics of our two countries' international positions and specific internal conditions. These bases were already laid down in the talks between President Tito and Comrade Honecker, and up until today they have proved to be irreplaceable in practice. On this basis, we can therefore expand our relations. That undoubtedly is in the interest of cooperation and security on our common continent.

I think that this will also be the basic concern of our talks—bilateral problems and crucial international issues, Europe, international processes, questions in which Yugoslavia and the GDR can continue to contribute a responsible share for a positive development.

Of course, it will also be a pleasure for me to be informed directly about some results that have been achieved by your country's working people in building socialism, as well as about other projects. Besides the comprehensive exchange of opinion with Comrade Honecker, this is the part of the program which I am looking forward to with particular interest.

Expanding Positive Political Processes by the Efforts of All Countries

[Question] You will be coming to the GDR at the end of a year that is rich in important world political events. How do you assess the present international situation, its opportunities and risks?

[Dizdarevic] This year was indeed rich in political events. Now that it is ending, real opportunities have been created for entering into a new phase of international relations. It is marked by detente and the easing of confrontation, by the intensification of dialogue, negotiations, understanding, and the expansion of cooperation. This process has begun and is yielding initial concrete results. The first agreement on nuclear armament was signed. In the framework of the CSCE process, agreement has been reached on significant security and confidence-building measures. The positive steps that have been made in other areas are also obvious. The process of broader development of East-West cooperation has been started. Efforts to resolve hotbeds of crisis and conflict, that have seriously strained the international situation for years, are being intensified. It is very significant that the role of the United Nations in resolving international issues is growing again as a result of its contribution to the consolidation and confirmation of positive tendencies in the world.

However, the assessment I have just made does not apply to international economic relations and development problems. They continue to remain outside the positive political processes. The attempts to find more lasting solutions that have been made so far have not yielded any results. The highly industrialized world still

is not sensitive enough to them, and does not show the necessary preparedness to deal with the problems of growth and development in a more comprehensive way and on a longer term basis. However, without doing so, there is obviously no opportunity to solve the acute problems related to the repayment of the developing countries' foreign debt.

That also involves a risk to the currently favorable development of international relations. We should not forget that the stability of a country or a region is a prerequisite for universal security. Thus, international security is built on a fragile foundation. Therefore, everyone, the entire international community, is called upon to make efforts to extend the positive changes to all spheres of international relations, so as to overcome deeply rooted divisions and distrust by means of persistent work and practical action.

[Question] After real nuclear disarmament has been started with the treaty signed by the USSR and the United States on the removal of intermediate-range weapons, what must be the next steps on this road?

[Dizdarevic] I think that the negotiations on a further reduction in nuclear armaments must lead to new, concrete agreements, in particular to an agreement on a reduction in the strategic nuclear arsenals by 50 percent. Other agreements must be achieved as well, which would make the prospect of total nuclear disarmament realistic.

Major steps on this road would be made at any rate, if we were to succeed in achieving agreement on a comprehensive ban on all nuclear tests and in adopting an international convention on a comprehensive ban on chemical weapons.

In order to arrive at complete and general disarmament in the world—which is the declared goal—we must must start reducing forces and conventional arms as soon as possible. Wars and conflicts in the world are still fought with conventional weapons, and objectively that also directly threatens human life. Conventional armament is so perfected that its effects come close to those of nuclear weapons. The danger really exists that in each of these conflicts, in a moment of despair or thoughtlessness, nuclear weapons will be used if they are available.

[Question] What do you think about the Warsaw Pact's recent proposals on disarmament and confidence building, and, in the SFRY's view, how should the process of security and cooperation in Europe be continued? What additional opportunities do you see for our two countries to support the tendency toward detente and disarmament in the world?

Support for New Proposals of the Warsaw Pact

[Dizdarevic] Because of its nonaligned orientation, Yugoslavia has always supported all efforts, initiatives, and concrete steps that are aimed at reaching immediate results in an attempt to halt the arms race, start a real disarmament process, and generally strengthen security in Europe and the world. It is in the light of these facts that we view the Warsaw Pact's recent proposals on disarmament and confidence building. Yugoslavia believes that international security is indivisible, and that the process of disarmament and the creation of mutual confidence are among the most important tasks of the international community.

We see an opportunity for further developing the process of security and confidence in Europe in the expansion of cooperation between all countries of our continent or between all the countries that have signed the Helsinki Final Act. The united efforts of all CSCE participants in fulfilling the provisions of the Final Act with regard to their comprehensive and balanced application is a basic prerequisite for further strengthening security and cooperation on our continent. Together with the consolidation of confidence-building measures, there are opportunities regarding the so-called second basket—meaning cooperation in the economic, scientific-technical, and technological areas—that have not been fully exhausted. The SFRY attaches equal importance to the application and further development of the provisions on cultural and scientific cooperation, the flow of people and ideas, and human rights.

In all these fields the opportunities for further cooperation between our two countries are really great. By the example of their successful relations—which are not impaired by differences—they have supported the tendencies toward detente and strengthening security and cooperation in international politics.

[Question] Yugoslavia supports the initiatives for nuclear- and chemical-weapon-free Balkans, and actively advocates the development of cooperation with the countries of your region. Your country organized the first foreign ministers' conference of the Balkan states. What results has this process produced so far and, in your opinion, in what way should it be further developed?

Cooperation Between Balkan States Has Increased

[Dizdarevic] On Yugoslavia's initiative, the first conference of Balkan states' foreign ministers in history took place this year in February. Its objective was to stimulate multilateral cooperation by seeking the joint interests of all Balkan countries in the fields of cooperation and by ascertaining where these interests are close to each other or identical.

As is generally known, the conference concluded successfully with the adoption of a significant document. In this, the general principles of international relations were put into concrete form for the relations between the Balkan countries, and the fields and directions of developing multilateral cooperation in the Balkans were clearly defined.

Afterward, other meetings took place which guaranteed the continuity of cooperation in the Balkans at a political level and in individual concrete fields. A conference of high-level functionaries of the Balkan countries' Foreign Ministries was held in Sofia in June this year, another of these meetings will be organized in Tirana next January.

These two conferences have given a more concrete form to the decisions that were made at the Belgrade foreign ministers' conference. In the meantime, several agreements were attained in other fields of cooperation. Recently, a conference of the Balkan states' transportation ministers in Belgrade, an ecological experts' conference in Sofia, and an experts' conference on the establishment of a research institute in the field of economic cooperation in Athens were held. A conference of economics and foreign ministers is being prepared in Ankara. There were also cultural meetings, for example, the Balkan countries' folklore festival and a writers' meeting, both of which were held in Yugoslavia. In the meantime, a working meeting took place between the foreign ministers of the Balkan states at the UN General Assembly conference and a number of other activities.

The very idea of convening the first conference has provided an impetus to improving relations and the mutual cooperation between the Balkan countries. The clear increase in mutual cooperation between the Balkan countries is one of the results of the Belgrade ministers' meeting to date. I firmly believe in the continuation of the process which was so successfully initiated.

Regarding the nuclear- and chemical-weapon-free zones, Yugoslavia has a positive attitude. We advocate the creation of the necessary conditions to ensure the establishment of such zones. We proceed on the assumption that those things that are acceptable for all countries are the starting point for cooperation in the Balkans. Only in this way can we finally come to the point at which the agenda will include those questions or initiatives which, owing to the fact that conditions have not yet sufficiently ripened, have not yet become guidelines for all.

[Question] As a founding member and host of the next summit conference, your country plays an important role in the Nonaligned Movement. From your point of view, what are the most important tasks of the nonaligned states at present, and what contribution is planned by Yugoslavia?

[Dizdarevic] Yugoslavia will be the host of the ninth summit meeting of the nonaligned states next September and will chair the movement afterward. It was unanimously offered this role by the nonaligned countries, and accepted it, conscious of the responsibility involved. We have started to prepare for it.

The present positive changes in international relations are exactly what the movement has advocated since its establishment—from the first Belgrade conference until today. The Nonaligned Movement, which comprises two thirds of all countries in the world, is also the strongest support for these positive changes. They have been and remain the objective of this large part of mankind, which is continuously striving for them.

Therefore, by no means will the ninth summit meeting be prepared as a matter of routine. The Nonaligned Movement is confronted with the question of the way in which it can continue to be a strong and even more effective factor which has an effect on all positive processes that have been initiated in a world of rapid change—a factor that can influence the raising of questions that are still excluded from these encouraging processes. I have in mind, above all, the sphere of international economic relations and the undesirable situation of the developing countries. Thus, the most important tasks of the nonaligned countries are to develop the positive changes in all fields of international life and all regions of the world. The special concerns are the start of the North-South dialogue and the solution of the difficult and grave problems of development of a major part of mankind.

Therefore, the forthcoming summit is of enormous importance. The strategy of the movement's commitment under changed international conditions and, in connection with this, new methods and the nature of activities have to be defined.

We Are United by Friendly Relations and Various Forms of Cooperation

[Question] In what way do you assess the stage of cooperation between our two states—in the international arena and in bilateral relations? What new requirements and tasks do you see?

[Dizdarevic] I have already stated—and I am glad to repeat it—that the entire cooperation between the SFRY and the GDR is successful in bilateral and international questions, and it benefits not only our two countries.

Such stable, good, and friendly relations and their perspectives—which are extremely important—also have a solid material basis. I am talking about the very successful economic cooperation. Thanks to joint efforts, the complementary character of the economies, and, above all, the readiness to use all this to a maximum extent, we have achieved really valuable results. The total volume of exchange has reached the impressive figure of $1 billion in both directions. The fact that cooperation is not limited only to exchange, but that many other forms, such as raw material arrangements, joint investments, operations of construction enterprises, etc. are developing, is favorable.

Our cooperation is also increasing in other sectors, in science, education, culture, and information. Thus, it contributes to getting to know each other better and, therefore, to understanding and friendship between the peoples of our two countries. We also highly appreciate

the political dialogue between our two countries and the cooperation in international affairs, as they are two countries that have something to say and give at a time when a better world is advocated—a world of peace, security, and general progress.

The GDR belongs to the circle of those countries with which we are really implementing overall relations—and we want to further develop them—in all major fields and forms that correspond to the opportunities that are opened up in this period of scientific-technological revolution and of new processes in the world.

[Question] Your country is presently confronted with complicated problems in its domestic and economic policy. What is the most important task in the SFRY at present? In what way will the resolutions of the 13th LCY Congress be fulfilled?

Yugoslavia's Achievements—Basis for Solving Today's Problems

[Dizdarevic] It is true that lately we have been confronted with many problems which are neither simple nor easy to solve, yet they are not as dramatic as is sometimes believed by certain people. We are aware of their serious nature and, therefore, have taken energetic steps to get rid of these problems as quickly as possible. And we will get rid of them! The great achievements in almost all fields of life and the great progress that generations of the new Yugoslavia have made render it possible. For more than 30 years our development has been fast and turbulent. Do not forget that Yugoslavia was completely destroyed by war. In spite of this, today there is no region in the country that was not completely restructured. But in the course of this enormous progress we did not take some weaknesses seriously enough. They have accumulated, piled up, and have gradually brought about our present difficulties.

On the basis of a thorough analysis of the practice to date, we have found out what does not work and what has to be changed. Therefore, we have decided in favor of great changes, which—of this we are convinced—will ensure the way out of the difficulties and open up new opportunities for overall development. The implementation of these changes is presently the priority—or, as you put it, most important—task of all people in the SFRY.

We recently adopted constitutional changes that are to guarantee the better functioning of the political system from the municipality to the federation. These changes give a new impetus to the further development of socialist autonomy and make possible a more rational social organization at all levels. They also create the conditions for the implementation of the economic reform.

We are carrying out the economic reform, which will come into force on 1 January 1989, after lengthy discussions and patient coordination of the points of view. Its guidelines are the market economy and economic restructuring, which, at the same time, will be considerably more open to the positive influences of the world market and modern technological achievements. Concrete measures, from which positive effects on all economic processes are expected, are being developed and adopted.

At the same time, we are tackling a third reform—the reform of the LCY. Its target is to reconcile the LCY's role and activities in a society like ours with the new developmental stage of the democracy of socialist autonomy and economic progress, based on the prerequisites that I have mentioned.

All the activities we have initiated and everything that still awaits us is nothing more than the implementation of the resolutions of the 13th LCY Congress.

Finally, I want to use this opportunity to wish the readers of your paper and all citizens of your country further successes in their work for the benefit of your country and personal happiness.

Further on LCY Central Committee Session

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[Excerpts] Belgrade, 12 Dec (TANJUG)—Ideological questions of economic reform and the LC's tasks in implementing them are the basic topics of today's 19th LCY Central Committee session. Also on the agenda of this party plenum is the proposal of activities for the preparations for the 14th LCY Congress, and the draft changes and addenda to the LCY Central Committee financial plan for 1988 [as received].

The introductory speech on economic reforms was made by Stefan Korosec, secretary of the LCY Central Committee Presidium. The theses for the reform and the amendments to the SFRY Constitution are a good basis for the implementation of the changes in the economic system. However, Vjekoslav Juricic, the first participant in the debate, stressed in the elaboration of the systemic laws, disagreements were expressed and the whole job was badly coordinated. The administrative model of managing the economy, he believes, continues to be "just about in evidence." In the first phase of the reform's implementation, we will obviously be faced with strong resistance, something which is demonstrated by the fact that at the beginning of next year only a few important systemic laws will be adopted.

In the assessment of Juricic, some important conditions in which the reforms of the economic system will be implemented have been neglected. Above all, changes are being entered into while we have big foreign and domestic debts and dubious accounts and while we lack a clear social program.

The economic and social conditions, he continued, have changed in a major way. As a result, there should be serious thinking about changes to the LCY program so that it might be adapted to the ideological and economic time in which we find ourselves. The LC ought to deal, apart from this, in particular with the strong resistance to the implementation of the reforms.

Stating that inflation is a key problem of our economy, Miomir Grovic advocated the establishment of responsibility for the implementation of economic policy this year. After all, he said, it cannot be expected that the same people who have hitherto created policy are going to extricate us from the crisis. Unless there are the necessary cadre changes, there is not sufficient guarantee that we will not be faced once again with failures.

The republics and provinces, Grovic stressed, must stop seeking the liberation "of their own" working class solely in the strengthening of "their own" states. The workers are embittered and are requesting changes, and only in a united Yugoslavia, on the basis of the equality of all the nations and nationalities do they see a way out of the crisis. [passage omitted]

Simeon Buncic said that the Federal Secretariat for National Defense is working on a critical evaluation of the impact of the three reforms on the development of the concept of defense and social self-protection, about which there wil soon be discussion in the Council for National Defense of the SFRY. Here he stressed that all the analysis to date indicate that the basic concept of the social and economic reforms fully favor the strengthening of our defense and security in all aspects—more room is made for the strengthening of the defensive power of society against all attacks on the achievements of the revolution.

In the opinion of Buncic, the three reforms constitute a whole, and any division could have negative political consequences, but the key of all of them he stresses, is in the political sphere or rather in the capability of political forces, led by the LC, to affirm the values which are based in our system. [passage omitted]

The league of proreform forces will be preserved only if the reforms provide results as early as next year, Jurij Bajec said. It must be clear to us that all the negative developments will be ascribed to the economic reforms and that opponents of the reforms will make use of them. Hence, in the opinion of Bajec, the responsibility of the subjective factor for positive results is huge.

Proposed economic policy for next year, in Bajec's assessment, is much more peaceful. He believes that in our conditions of economic instability and hyperinflation, two things are important: instruments must be strong; and trust in those who bring about the measures must be exceptionally great. At present, Bajec assesses, there is not enough of either one or the other.

He believes that economic policy next year must anticipate sociosystemic solutions without its being justified by their absence. The government must also stand up to political pressure and not go for a "zig-zag policy" which will temporarily satisfy individual interests. In the LCY and the Central Committee, responsibility for reform of the economic system must be intensified. Support should be sought in the strong competent enterprises which are already acting in a reform-minded way, Bajec said. In this context, he stressed that enterprises should free those functions, including social ones, which were imposed on them in the period of the consensus economy.

At the end of the discussion, Jurij Bajec stressed that it is very important that the reforms are begun immediately, and that more rapid moves must be made because the country, in terms of the efficiency of its business operations, is right at the bottom of the OECD ladder. [transmission interrupted; TANJUG parts 6-10 not received]

Two issues—the ideopolitical aspects of economic reform and the fight against inflation—dominated Sergej Kraigher's discussion. In his view, it is not advisable to discuss some new "model" of socialism in Yugoslavia since on one hand, that would be a sign of a nondialectic approach to contemporary trends in the world; and on the other, because back in the fifties we rejected the idea of two worlds with two types of economy.

Kraigher supported both the proposed draft stances and the introductory speech, and said that the public has raised a great number of issues concerning the social nature of the changes and their importance for common existence and prospects, and that a clearer answer to these issues should thus be forthcoming. He continued by saying that there should be no dilemma about the need for income to be social by nature. "Under self-management it is unaceptable not to recognize the social nature of income," he stressed, in the same way that the introduction of various types of firms would not threaten socialist relationship in production. In this context, he drew attention to the aggressive attitude of the forces of dogmatism and narrow-mindedness which interpret the changes as confirmation of their thesis about the advantage of private ownership. Throughout his discussion, Kraigher appealed for the socialist nature of the changes and called for the issue of workers' solidarity to be resolved.

Sergej Kraigher insisted that inflation has a political nature, noting that in our country inflation has always been a political issue. He asked for a clearer formulation of the tasks aimed at resolving the problem of high inflation rate. Finally, he called for the resolution of all dilemmas concerning reform which have to be considered in the context of both our internal relations and of international economic integrational trends which concern us to a large extent.

Having stresed that, in comparison with all previous ones, the current economic reform is the most serious and most far-reaching, Miljan Radovic, the last to speak in the morning debate, said that the LC has to strive toward rallying the forces of work, know-how, and creativity around the reform and its goals. Despite all the risks and resistance—which are not negligible—reform must succeed, Radovic stressed, noting that its success depends on the level of readiness. [passage omitted]

In a critical assessment of the nature of some of the laws regulating the reform implementation, Ante Markovic noted that despite some sound solutions, these laws in fact still maintain state-imposed regulations. For instance, the foreign Investment law allows the federal organ to be more or less the main regulator. The same can be said about the price control law which provides for the possibility of suspending the market from determining prices under "special" circumstances. There are also too many regulations in the sphere of foreign economic relations. This set of regulations contains as many as 900 clauses.

Having drawn attention to this and similar examples, Markovic drew the logical conclusion that we need a reform of the state, from the municipal to the federal level. The state cannot replace the market and its role in modern market economy and development must be clearly defined. [passage omitted]

Like Ante Markovic, Dr Ivan Stojanovic is of the view that the economic reform must be accompanied by a transformation of the state. He added that if we are to pull out of the crisis, efforts must be made to strengthen the market economy. Without a strong market economy, there will be no efficiency in economic activity, no self-management, no democratic development. This orientation, although correct, does not mean that planned economy should be totally neglected. A market economy needs planning, and this fact has not been sufficiently stressed in either the concept of the reform or the LCY Central Committee's draft stances. Planning is of particular importance in the so- called large systems (electricity industry, railways, post and telecommunications). It cannot be left to the market to regulate their activities, since they are not just of economic, but also of social importance, Stojanmovic noted, adding that we sometimes become overexcited about the market. [passage omitted]

In Milo Djukanovic's view, if the architects of the new economic systems have a minimum of decency, they should come out into the open with a clear and reasoned idea of how to resolve the complex social and economic reality. Nervous and impoverished people can take this bitter truth, as he put it, only from a leadership of certain moral credibility, something which the present leadership lost a long time ago.

It is an objective handicap for both the LCY Central Committee and the FEC that they can no longer count on public trust without producing results. [passage omitted]

We are now quite familiar with the conduct of our officials, Dukanovic resumed, who see the reform as a shield to protect themselves from those who demand, very politely though, their abdication. This is a double swindle: the progressiveness of the reform is used to defend conservative values, an attempt to survive at any price by those who do not deserve to survive, and second, by mystifying the reform for their own perverse political ends these people deceive and pull the wool over the eyes of the embittered and disappointed public.

The defeat of certain political or development concept means the demise of their authors, Djukanovic said. This is the main rule of every reform in the world, except in our country. Now that we are embarking on the reform it would benefit us to adopt this axiom, Milo Djukanovic said at the end of his speech.

Economy to the businessmen and enterprises to the entrepeneurs—this is the meaning of the reform advocated by Josip Eterovic. Economic reform should simultaneously reform the state and social institutions and the entire educational system in particular. [passage omitted]

The LCY can no longer be contented with declarations of unity on general issues, Borislav Srebric said. In his view, foremost attention should be paid to responsibility while the LCY Central Committee should deduce the necessary conclusions about its own behavior. Srebric added, we cannot all be responsible in the same way and to the same degree. [passage omitted]

In Bosa Nenadic's view, the LCY Central Committee must provide clear answers to the crucial ideopolitical issues of economic reform. Conveying the attitudes of the committee of LCY organizations in federal organs and organizations, she said that the Central Committee must go a step further from the assessments of the proposed changes. Considerably more space should be given to the ideological issues of the working clsss' position and they should be the center of attention.

Bosa Nenadic made many specific comments on the proposed conclusions and pointed out in particular her doubt about there being sufficient guarantees for the LCY reform and her suspicion that everything would go on as before.

Dusan Dragosavac opposed some assertions about our reforms so far having been unsuccessful. For three whole decades, Yugoslavia had been at the very top of the world league in every respect, he said. For the present economic reform to succeed it is necessary to ensure a stable political situation. [passage omitted]

Dragosavac devoted most of his speech to the topical issues of our political scene, especially to the phenomena of sniping at one another and labeling which, as he said, is abundantly used by antisocialist forces. Something should be done to stop this escalation. The Central Committee has been made incapable of operating as an entity. For many of us in this hall, a political "wanted" circular has been issued. This is no longer a question of responsibility for a public statement, but of slander and disgrace from which not even Presidium members are exempt. The Central Committee should protect its Presidium, its president and its secretary, and if they do not do something as it should be done, there should then be a well substantiated debate. [passage omitted]

Communists in the Yugoslav People's Army [YPA] extend their full support to the proposed economic reform, which will significantly contribute also to the country's defense. At the same time, strengthening and investing in the defense represents an important precondition for the successful development of the country, Bozidar Grubisic said, adding that the system of all-people's defense is developing successfully also in the economic difficulties and is demonstrating its efficiency. The YPA plays a special role in this.

With the deepening crisis, the material possibilities for investments in defense too are being reduced, Grubisic noted, saying he is convinced that the people, despite the economic crisis, will not allow the ability of the Armed Forces to fall to a level that does not guarantee defense and security.

Referring to theses presented in some places, Grubisic said that the YPA, or rather the allocation for the needs of the Army, is blamed for the economic crisis. But what is overlooked in this context is the fact that resources for the YPA have been reduced for 10 years already while the crisis, despite this, has intensified and the burden on the economy increased. [passage omitted]

Mladen Djurin proposed that one of the reforms also be a fundamental social reform, and he advocated that the position of agriculture be improved. [passage omitted]

The concept of economic reform cannot be jeopardized, Drago Sofranac said. Surely this is now clear to everyone.

The reform is the only way to emerge from the crisis and prevent the worst. However, Sofranac said, we must not overlook the great reservations and even mistrust of the working people about this major venture. Caution and fear about the reform are not mere coincidences, as he said. We have "failed" many times. Yet there is no room for hesitation because the reform is the only way out. [passage omitted

"We are at the gates of hell," Radoslav Bulajic said rather dramatically. We need a reform that will lead to a richer socialist self-managing society. As regards the basic orientations, there are no substantial difference between us, but it is not clear whether everyone has understood in the same way the new approach to work and business activity. Are we all ready for a speedier change in our habits and behavior, Bulajic asked, adding that "in no society can one live better by working so much." [passage omitted]

"We must put our foot into this cold water soon," Dragutin Kosovac said, advocating that we should embark on economic reform as soon as possible, although the proposed legislative solutions still have to be brought up to scratch. This is a question of changing the entire environment in which the new value is created, Kosovac noted in dealing in his speech in particular with the draft law on enterprises and proposing that a law on cooperatives be adopted. [passage omitted]

Kosovac advocated that before the laws on enterprises are adopted, the question of self-management—both in socially owned enterprises which are formed by joint investments by several enterprises, and in enterprises of mixed ownership—be clarified. In presenting a number of examples from abroad on the participation of workers in management of enterprises, Kosovac noted that self-management in our enterprises should not prevent foreign capital from being invested in the Yugoslav economy. It is my deep conviction that there is no reason for us not to determine that enterprises should be managed equitably on the basis of past and current labor, Dragutin Kosovac said. [passage omitted]

Nandor Major stressed the need for the resolute abandonment of "certain ideological and theoretical legacies of the Second and Third International which, precisely in relation to the economic sphere, are very much alive in our ranks."

This related especially to the prevailing conviction of these two Internationals that the transition from capitalism to communism is possible by a transformation on the horizon of ownership and narrowly conceived production relations. At the same time the method of production is treated as a mere phrase and prop word. Our economic thinking, except for a few creators recently, hinges on this "horizon", something which is seen also by the fact that one of the basic questions of the reforms has become whether social ownership can be treated in a nonproperty way, or whether it must be understood in terms of ownershnip, Nandor Major said.

He also drew attention to the fact that the concept of associated labor rests on the "horizon of ownership" and narrowly understood production relations. Although I am for the adoption of the proposed stances, I draw your attention to the fact that they too are maintained on this same "horizon," Major said. [passage omitted]

We are entering next year with the orientation to begin with the implementation of reforms and to achieve what is realistically possible in terms of curbing inflation and

at the same time emerging from many years of stagnation, Branko Mikulic stressed. Mikulic stressed that this will be achieved in difficult, inherited conditions. He said that at the end of this year, losses in terms of exchange rate differences on foreign currency savings and external credits in the Yugoslav National Bank will amount to about 70 trillion dinars. These losses and the dubious accounts and losses in organizations of associated labor are for Yugoslavia a greater problem than the foreign debt. Mikulic noted. After all, we have rescheduled a significant part of this debt on a long-term basis and we are already working also on discovering new solutions to reduce the foreign debt. In addition, in the outstanding debts owned to us by other countries and in foreign reserves, we have approximatley $9 billion, which is approximately 50 percent of the Yugoslav foreign debt.

It has been determined in the Commission for the Reform of the Economic System and in the FEC, that for the reforms to be successful, it is necessary to find appropriate solutions to recover the dubious accounts and losses in the economy, business banks, and the Yugoslav National Bank. In the opinion of the commission, this can be resolved in such a way that all the dubious accounts in the assets of the enterprises are written off at the expense of the business fund and also so that the value of their funds is reducd in the banks. It is vital that some of the dubious acconts in the Yugoslav National Bank be transformed into public debt, and also that in the republics and provinces some of the investments in the economic infrastructure be transformed into public debt, while in the towns and municipalities this should be done with some of the investments in the communal infrastructure.

It is necessary to examine with particular attention, and realistically, the specific problems in the undeveloped part of the country and find solutions to them. If this does not happen, these regions will not be able to stand up to the demands of the reforms, Mikulic noted.

The costs of adapting to the conditions of reform in these communities, and in particular social problems could be so great that these sociopolitical communities would not be able to overcome them without appropriate support from the social community at large [by the assumption of exchange rate differences on foreign loans transformed into dinars, by the financial consolidation of some of the organisations of associated labor, by rational support for the restructuring of the economy, and by the removal of the cause of the unequal conditions in which business operations are carried out and other measures]. According to the FEC President, we formed the habit of spending more than was possible in a period of 25 years, from 1960 and ending in 1984. Throughout this whole period, final expenditure was constantly greater than domestic production, something which was "concealed" by indebtedness to foreign countries, for the most part for investment purposes. Yugoslavia, in the period of 1956-81 had a continuous infusion of foreign capital. In the period of 1971-80, net capital from foreign countries amounted to $10.3 billion, and we had a balance of payments, deficit approximately $36 billion. In this decade, instead of an influx of foreign capital, we have a net outflow of domestic capital which has gone on paying off foreign debts, something for which in certain years we have had to use more than 10 percent of our social product. However, this decade, expenditure over and above our possibilities has been continued, so internal debts and inflation are mushrooming.

There are also various political tensions, Mikulic said, from the very complex situation in Kosovo, disruption in interethnic relations, attacks on the YPA, the growth in social tensions, regional and also particularist tendencies on the one hand, and the weakening of the role and influence of the federal organs in resolving open social and political problems on the other hand, to the exacerbation of the relations between the leaderships of the republics and provinces, distrust among leading cadres, organized political campaigns against a no small number of officials, attempts to discredit them publicly by dreaming up and fabricating "facts," and the distortion and malicious interpretation of statements, and so forth.

"The negative consequences of this are very great. This confuses working people and citizens, [word indistinct] doubt is sown in everything we do, in individuals, leaderships, and the system," the FEC president stressed. Instead of the energy of the woring masses being directed toward the implementation of the goals of the three reforms, it is channeled in another direction.

People are beginning to orient themselves toward individuals and "their own" republican and provincial leadership and not toward a policy and the reforms.

Our friends abroad are more concerned by the political situation and divisions than the economic problems facing Yugoslavia. For them, Mikulic said, Yugoslavia is a country of high political risk. We are to blame for this, and not them. We, and not someone else, should remove the causes of the concern about the future and survival of our federative community, both people in the country and friends abroad.

There is no place for the illusion that on 1 January, when we begin implementing the reforms, better days will come for everyone, that the problems and difficulties with which we have long been faced will disappear, and that we will leave the crisis behind us. On the contrary, the adoption of systemic laws will only begin to open up the process of the implementation of the economic reforms—a process that will not last a short time. Initially it will be difficult for us and only later, provided that we persist along the road of reform, will better days and a long period of prosperity in stable conditions come about.

The FEC president advocated the overcoming of vacillation: in the policy of realistic interest rates and in the anti-inflation policy.

In 1989, a capital and money market should be institutionalized which should form a market price for this specific commodity too, Mikulic said. This also relates to the dinar's exchange rate.

He also noted the harmful influence "of the political factor" whereby as in the past "there is entry into the zone of negative interest rates." This would as early as tomorrow bring into question the policy of the dinar exchange rate and with it also the realistic valuing of other production factors. In this case, Mikulic maintained, the whole concept of the functioning of an integral market would be abandoned, which means that there would have been deviation from the reforms even before they began to be implemented.

One of the biggest limitations to the economic reforms is the very high inflation; we must face up to the truth and achieve a consensus on curbing inflation being the number one priority task which we will all implement. There is also an urgent need for us to clear up finally and adopt a stance on what method and means we will use to curb inflation.

Our experiences with "shock therapy" are negative. Citing that "a consensus has never been achieved on the consistent application of this therapy" (the freezing of both prices, personal incomes and public expenditure), Mikulic added that work organizations have destroyed the measures adopted, "and behind them stood the state and political factors and interests which they represent."

Bearing these experiences in mind, we have opted for a stabilization program without shock therapy and for a gradual effect on inflation, Mikulic said.

The expectation that an economic policy can resolve in 6 months problems which have accumulated over 20 or more years is unrealistic, Mikulic said.

Among the priority tasks in the year ahead is the reduction of demands on the economy, Mikulic said, and this means that state, social, political and self-managing community of interest-based infrastructures and overheads in the economy must be reduced significantly.

Replying to remarks relating to the FEC's responsibility, Mikulic stressed that he accepts everything that is based on the facts. It is vital that there is insistence on responsibility for policy which is proposed and implemented. But the authors of this policy cannot be the only ones to blame for its inconsistent implementation, which is impossible without the responsible involvement of everyone. [sentence as received] The FEC will debate over the next few days this issue and its own position. At today's session, very contradictory views were expressed on this. We did not clear up whether this means that the FEC will also be accountable for what it will not do in keeping with each of these views. I know, Mikulic said at the end, that it will be said that they are important stances. But will we in the future too tend more to invoke views than adopt stances?

Bringing the debate on the ideopolitical aspects of the economic reform and the LC's tasks to a conclusion, Stipe Suvar, president of the LCY Central Committee Presidium, said that the sole vital issue of today's debate is the fate of socialism in our country, i.e. the answer to the question of how to develop socialism in Yugoslavia into a society which enables each individual to live in freedom and without material or spiritual poverty. No longer do we harbor illusions that Yugoslavia is an isolated island capable of creating a paradise on its own. We have finally realized that we cannot exclude our selves from the trend of our epoch, of our our world.

We are speaking about three reforms but, in fact, we are concerned here with a unique undertaking. The economic reform cannot succeed unless the idea of socialism is renewed, various changes made, and the LCY transformed.

Socialism, as someone said today, is not a clear and ultimate society but is, above all, an open historical process. Poverty, the halt in its development, and people's dissatisfaction are all a result of the tendency to view socialism exclusively as an ideological, political society with the state as the main production force and the people as a means for achieving distant goals.

This early stage of socialism, i.e. the socialism of crude industrialization and urbanization with state socialism as its main characteristic, the socialism which introduces the state and relies on it, is on the wane in our country and, it seems, in the majority of other socialist countries, Suvar said.

He added that "we now speak about socialism more in terms of a democratic, innovative, pluralist, and open society to which we aspire, but which we are yet to attain, which we wish to see ahead of us and fight for."

Suvar continued by saying that the implementation of a fundamental and comprehensive reform whose success is a sine qua non for socialism in our country is an imperative for its rehabilitation and our last chance to take a step forward.

We must overcome all that has put us in an inferior economic, political, and cultural domestic and international position, Suvar said, and which, among other things, has jeopardized the legacy of Tito's idea that only united can we surmount all difficulties and take major steps, thus creating a society of happy people and not a society of conflicts in both the social and nationalities sphere.

In his view, we have not had the possibility of choosing our development concepts since the same concepts continued to be offered to us with small variations by the same teams of people over decades. But the issue of development is precisely the issue which calls for most democratization. For this reason, the economic reform itself should be based on competing programs and not on projects which require an exhaustive ideological and scientific revision or which are merely a caricature of ideologically desirable objectives. The design of a public building of smallest significance is always put to tender, but in the case of an economic plan, it is left in the hands of a routinely selected group of people. And it is of no importance whether I or anyone else is in it. These programs must serve to reaffirm or negate the capacity of a republican, provincial, or federal government. No one should be exempt since tangible results alone are the measure of who is better and who enjoys the confidence of not just one forum but of the whole of society.

Having stressed that the economic reform must provide an opportunity to make a final move toward achieving the real concept of socialist self-management, Suvar said that socialist self-management must be a part of the concept of socialism as based on commodity production in order to translate the workers' entrepreneurial function on the whole of society as a prerequisite for changing the relationship between policy and economy. He went on to say that at the moment, we are examining the prospects for self-management in two different directions. The fate of the economic reform, of self-management, and of socialism depend on which of the two directions we opt for.

The economic reform must provide conditions for a transition from the state-run economy to a self management-based economy, Suvar stressed. This implies new quality being created by restructuring the entire economy and the entire system of social reproduction. The new enterprise must be organized and flexible enough to accept new technologies, know-how, and market impulses and adjusted to the developed stage of commodity production.

The relationship between the market and self-management, at a future stage, will be of a type in which the market has an allocating role and the self- managing democratic system a distributive function while at the same time providing for social security. This will pose serious problems and conflicts for us. Market economy in conditions of commodity production and of the organized process of self-management will not generate the spontaneity likely to resolve all problems through an integrated market and through the introduction of an organized and functional enterprise. The fundamental question is whether market economy will be conducive to increasing democracy or to exploitation. In other words, self-management based market economy must proceed from the integration of labor and capital under democratic conditions.

The economic reform in Yugoslavia—a multinational, socialist, and European country—will succeed only if accompanied by the process of democratization. We have heard just calls for a market economy combined with centralist dictatorship and the party of command. This would be a version of the Chilean or Korean concept which, in our circumstances, would lead to even greater poverty. The same result would be produced by mechanically linking market economy with a multiparty system. Both versions would imply even greater dominance of politics over the economy since it is obvious even now that the present fragmentation within the LCY to satisfy national statisms has increasingly giving rise to conflicts, politicizations, reducing citizens to a part of the mob, negation of individuality, and to national stampede. All this has a retrograde effect of enhancing statism and the political factor in society.

These processes are today being provoked and stimulated so as to prevent the opening up of internal structural contradictions in the republics vis-a-vis national conflicts, thereby in factual terms, conserving the existing structure of the economy. Hence, for example, it is also very important to come out, at the very beginning of the economic reforms and accompanied by measures to consolidate the economy, with a list of all those who have been loss-makers over many years and a plan for closing down enterprises and plants and restructuring, but accompanied by measures and funds for the social security of the workers.

This is the condition for opening up the reform processes in the republics. For relations in the federation, it is important that 40 years of the battle for distribution in the distributive model of the economy, is replaced by us by a productive orientation and by market resolution of conflicts as a normal system, and not by a conflict with statisms, of the nations and of the press in the struggle over an ever-decreasing cake, something which at this time is also destroying our LCY. The planned distribution of income in the economic system— unless this happens, the struggle over surplus value in Yugoslavia, and in the provoked and heated-up politicization, will not only bring about the demise of the economic reform but will also break up Yugoslavia.

Speaking about our inclusion and presence in the mainstream of world trends in the development of production forces and about our encirclement by Europe and the world, Suvar stressed that we are obliged to take account, above all, of the fact that we are surrounded by the world market. For this reason, our policy of economic relations with other countries should be: to disperse and diversify those relations, to be included in the world market and the international division of labor, under the most favorable conditions possible for us. This is also vital for our policy of independence, to which, of course, we remain deeply attached. This is why it is in Yugoslavia's interests to develop, without exceptions, economic relations with the largest possible number of countries in

both West and East, and with their organisations, the EEC and the CEMA, and in particular with the developing countries with whom we cooperate in the nonaligned movement.

We must also consider the methods of procedure for involving our country in European economic integration without making political concessions and without relinquishing our role in the Nonaligned Movement or abandoning our non-Bloc position. We must not allow others to tell us what to do and what not to do, but must define these interests ourselves and present them to the world. Because it is clear that the world can do without us, but that it is increasingly difficult for us to do without the world. We must not allow ourselves to become a kind of dead zone between East and West. Anyway, there is increasing mutual communication between East and West and they are increasingly coming together in both the political and economic sphere. And this is all the more reason why we must not allow Yugoslav international trains to be the only ones that run late.

In any case, it is far better to link ourselves with international economic alliances than to be condemned to the International Monetary Fund, which is determining quite a lot for us in the country's current economic policy. It is a mistake to think that one can go out into Europe or the world, economically, without taking any risks, and with the production culture of pickled cabbage: that what we want to gain must be paid for with something, because countries which are far more developed than Yugoslavia also pay. If (?others) are not afraid of communist Yugoslavia, why should Yugoslavia be afraid of neighbors that are different and a Europe that is different.

Recalling his idea about the need for some kind of specific Yugoslav New Deal which would not be like the U.S. one of earlier times, Suvar said that Yugoslavia must join the long queues, above all, for attracting foreign capital, as the initial lifeblood of economic reform. Without programs, particularly in large-scale infrastructure, it is difficult to attract foreign capital. But here, too, there is some resistance. It is as if the construction of roads or hotels with concessions were the same as the construction of foreign military bases and spy nests. We must free ourselves of these mistaken views and conduct a policy of development which will make use not just of the comparative advantages, but above all of the historical contradictions of capital itself. Yugoslavia's geopolitical position can lose nothing with this orientation, it can only gain.

Reform must begin immediately, but it will not end on 1 January 1989, or in 1991, or in 1995. It will be a long period of serious upheavals and conflicts which will have the focus from national to social tensions. Individuals are scoring cheap political points by saying that it is possible to start and end reform immediately, if we only remove some of those who do not want this and pass some good laws. Let us just recall, for example, Great Britain, Italy and many other economically stronger, legally more solid, and nationally less heterogeneous countries with iron chancellors or prime ministers, and the traumas they have been through in past years, the strikes, conflicts, and governments falling. And let us recall how long all this lasted!

Nevertheless, reform is ours to be or not to be, and it can no longer be turned aside. It will happen somehow! The reform must succeed and we have spoken a great deal today about the ways in which it is still not ready and we have warned with justification of many things which could threaten it from the very start.

With this session the battle begins. The reform can succeed if it is accepted by the working class. It is the task of the LC to mobilize for the implementation of the reform not just the party membership but also the broadest forces in society, Stipe Suvar concluded.

After a 12-hour discussion the assessments and tasks of the LC in the implementation of economic reforms were adopted.

During the remainder of the session, the members of the LCY Central Committee considered the proposed preparations for the 14th LCY Congress. Explaining this, Radisa Gacic stressed that in the past month, the conviction has grown that the basic theme of the forthcoming party congress, above all, be the reform of the LCY. The reform of the LC is vital also because of the need for a way out of the crisis and in order to involve the country more rapidly in contemporary scientific, technological, and social trends in the world.

In this respect, said Gacic, the reform of the LC is a move which can be carried out only as an integral part of the profound reform of the political organization of society as a whole, and not as some isolated organizational act.

The plan for transformation of the LCY, which is being worked on by a special commission for party reform, said Gacic, should be a basic document in relation to which the congress can be prepared.

Thus the proposed activities for the preparations of the 14th congress provide a thematic framework; possible proposals for documents which are to be prepared for the congress, and indicate the decisions which should be passed in the preparations. Following the establishment of the plan for the transformation of the LC at the January session of the LCY Central Committee, the timing of the congress and the election of the corresponding bodies will also be established.

It is clear that the LCY congress must express all the creative and mobilizing force of the LC, which will move society forward. For this reason both in the preparations

for the congress and at the congress itself, it is necessary to draw all the lessons from the shortcomings which cannot and must not be repeated.

By the time the congress is held, precise descriptions of the historical movement in which we live must be crystallized; in other words, a more profound picture of all which has been happening in our country over a long period, while at the same time there should be an indication of what sort of socialism we need and what we want.

We think, Gacic stressed, that the congress itself should sum up the experience and the results of the activities which began with the LCY conference and its orientation for profound social reforms.

For these reasons, it is quite understandable why the (?report) on the work of the LCY Central Committee and the basic characteristics of the LCY activities between the 13th and 14th congresses should be given considerably greater political significance. If we describe matters like this, it is clear that the activity to reform the LCY is being conducted and is developing in conditions of a crisis of socialism as an idea, as a practice, as a political system, and a movement, not only in Yugoslavia, but in the whole world. The reform of the LCY in this context must include the question of the avant garde nature of the LC in the new conditions, in other words, a preparation of its ideological and organizational basis and role in society on the threshold of the 21st century.

In drawing up the proposed activities, we have two possible choices: that we should define very clearly standpoints on all the essential elements of the congress and its basic themes, or leave the broadest possible scope for proposals at the congress by means of wider consultations. Although we could propose some form of combination of these, said Gacic, it is clear that we have decided to eliminate from the preparations for the congress any monopoly by leaderships of the LC. We think that in this way we are opening the doors to a creative way of thinking, to new ideas and new people. This is also the reason for our orientation toward consultations from the very beginning of work on preparations for the congress. [passage omitted]

The content of the congress, noted Gacic, would in part concentrate on the development of the ideopolitical platform for a new constitution.

It is vital that there should be a demystification and demythologizing of a series of embedded attitudes on the characteristics and vital theoretical definitions of the LC.

Unrealistic demands should not be brought into the relationship between the LC and society, but rather the place of the LC should be drawn from a realistic projection of society. [passage omitted] After the speech by Radisa Gacic, members of the LCY Central Committee decided to send the information, together with the proposals for preparations for the 14th congress to the LC Central and provincial committees. Once they have been considered by these organs, and comments made, the program of activities should be adopted at an LCY Central Committee session to be held at the end of January, Stefan Korosec said, as should the outline for transforming the LCY.

The LCY Central Committee also adopted changes and amendments to the LCY Central Committee financial plan for 1989. Also passed was a decision on the formation of a working group which, by the end of may next year, should propose to the LCY Central Committee an ideopolitical platform for the activity of the LC in preparing a new SFRY constitution. The working group has 27 membrs, and it will be led by Milan Kucan. The group will take as its starting point the stances of the LCY conference, the conclusions of the 18th LCY Central Committee session on the proposed amendments to the SFRY Constitution, and the need to create a comprehensive constitutional and legal basis for the reform of the political system as one of the vital preconditions for a way out of the crisis.

The LCY Central Committee later verified the election of Bosko Kovacevic as member of the LCY Central Committee and the LCY Central Committee Presidium. Kovacevic was recently elected to the post of president of the Vojvodina LC Provincial Committee Presidium, and thereby became a member of the LCY Central Committee and its presidium by virtue of his office.

During the any other business item on the session's agenda, Remzi Koljgeci asked to speak, and in accordance with the statutory right of republican and provincial LC organizations to initiate the convening of an LCY Central Committee Plenum. He proposed that the Central Committee, at its next session, assess the recent mass protests by Albanians in Kosovo. The immediate reason for this proposal from Koljgeci were the assessments and stances adopted in this connection by the LCY Central Committee Presidium. This document, Koljgeci said, contains some parts which do not completely reflect the essence of the recent events in Kovoso. I could not agree with part of these assessments at yesterday's LCY Central Committee Presidium session, either, he said.

Noting that a Kosovo LC Provincial Committee extraordinary plenum had adopted almost unanimously the preliminary assessments of the recent events in Kosovo, Koljgeci said that one can justifiably ask: Why did the provincial committee not adopt them as final. This was not done, he explained, because of a series of objective circumstances, and so that the agreement reached with representatives of the higher party organs of the LCY Central Committee and the Serbian LC Central Committee that analysis and assessments should be made by joint work, might be fully respected.

If one compares the political documents passed on this by the LCY Central Committee Presidium, the Serbian LC Central Committee Presidium, the Serbian Presidency, and the Kosovo LC Provincial Committee, it will be seen that differences still exist. I am afraid that with our method of work up to now, Koljgeci said, we will not help the situation in Kosovo to be fully considered, nor will we contribute to its improvement. By discussing this, the LCY Central Committee should enable differences to be overcome, which would create the scope for united action by the LC in relation to Kosovo, he said. What I am proposing does not mean freeing the provincial committee and its presidium from responsibility for the energetic implementation of the conclusions of the 17th LCY Central Committee session, Koljgeci said finally.

After informing the session that yesterday the presidium had not voted on the adopted assessments and stances, Stipe Suvar said that Remzi Koljgeci had been in the working group which had drawn them up. Not everyone individually was satisfied with each individual formulation, but the vital degree of compromise was reached.

Suvar then recalled the activities and measures the Presidium had undertaken after the 17th LCY Central Committee session in connection with the situation in Kosovo, and the implementation of the conclusions of that party plenum. There is no reason, he added, why the LCY Central Committee at its next session should not assess all the activities undertaken in this connection in the LCY as a whole.

Without contesting the right of the Kosovo LC Provincial Committee to undertake an initiative for a discussion on the recent events in Kosovo, Bogdan Trifunovic asked about the destiny of LCY Central Committee Presidium stances which, with an assessment of an event, also established concrete tasks in the implementation of the conclusions of the 9th, 16th, and 17th LCY Central Committee sessions. This document has already been published, and moving a problem from session to session should not be permitted.

Stipe Suvar replied that this was a question of a Presidium document carrying obligations, like other documents and conclusions. Remzi Koljgeci, asking to speak once again, stressed that the provincial committee did not refuse responsibility for the implementation of the conclusions of the 17th LCY Central Committee session. It was concluded that a discussion should be conducted at the next LCY Central Committee session on the stances on and events in Kosovo.

Korosec Press Conference

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[Text] Belgrade, Dec 13 (TANJUG)—The reform is a question of exceptional significance, because it is upon its success that the Yugoslavs' trust in self-management and in socialism as a system of socio-economic relations depends—stressed today secretary of the Yugoslav party Stefan Korosec.

At a press conference for domestic and foreign journalists held on the occasion of yesterday's plenum of the Central Committee (CC) of the League of Communists of Yugoslavia (LCY), Korosec said that the full accord on the lines of the economic reform was achieved at this meeting which also indicated that the reform could not be a success without political and party reforms.

Asked about whether had the LCY CC given the federal government a deadline for the settlement of the several-year growing inflation, at an annual rate of 220 per cent, Korosec gave a negative answer. He added, however, that he believed this question would be raised at the Federal Assembly (parliament) since it was certain that a large part of responsibility for the high inflation was upon the federal government of Premier Branko Mikulic.

Asked to comment on relations between Yugoslavia and the EC, the LCY CC Presidency secretary said that obstacles to Yugoslavia's getting closer to Europe are more economic than political.

He recalled that at the party plenum yesterday he proposed that a special expert group analyse variants for Yugoslavia joining European economic trends. This does not mean, Korosec stressed, changes in terms of strategic goals of Yugoslavia's internal and foreign policy.

Korosec expressed regret over yesterday's resignation of government member, Doctor of Economic Science Oskar Kovac, but added that he is not acquainted with details and that the resignation has still not been accepted. He stressed that the possible going of Kovac who is in charge of cooperation with the EC, EFTA and OECD, will not mean a change in relations towards foreign creditors and the policy of real foreign exchange rates, real interest rates, imports and prices liberalisation and the restriction of spending.

Referring to political pluralism, the Yugosalv party official said it had not yet been dealt with in party documents, which he said could possibly already be done at the next party congress. An answer must be given to this topical issue, but in conditons of the self-management socialist society and not a multi-party system, Korosec categorically underscored.

Only the League of Communists fully affirms the Yugoslav orientation, whereas any other political organization would have a nationalist basis, and Yugoslavia can survive only as a self-management and federal state, Korosec set out.

Commenting on the announced formation of a social-democratic alliance in Yugoslavia's most highly developed republic of Slovenia, Korosec, a Slovene, said that such an alliance would be harmful as it would disintegrate the forces needed to resolve the serious existing social problems.